

# FINANCIAL TIMES

EUROPE'S BUSINESS NEWSPAPER

Friday January 17 1992

BERLIN FILMS

Will the cameras roll again?

Page 2

D 8523A

FT No. 31,660

© THE FINANCIAL TIMES LIMITED 1992

## World News Business Summary

### Mideast talks deadlocked as Israeli crisis grows

The latest round of Middle East peace talks ended in virtual deadlock after four days of Washington talks. Israeli negotiators, led by Ehud Barak, a day later than planned, to face a mounting domestic political crisis after the withdrawal announced by two right-wing parties imperilled the partnership of the coalition government.

Yeltsin's visit to the US was a triumph for the Russian president, who vowed to speed up privatisation and slash monopolies in the face of what he called "sabotage" by powerful forces, including former communist officials. Page 14

US wants Saddam out: The US will keep pressing for the overthrow of Iraqi president Saddam Hussein and will continue to ensure that Iraq remains "a pariah among nations." The White House said on the first anniversary of the Gulf war's outbreak. Editorial Comment, page 12

Peasants' trial ends: Military helicopters hovered over the Greek supreme court as 13 senior judges considered their verdict at the end of the trial of former socialist premier Andreas Papandreu on corruption charges. Page 14

Salvador accord signed: The Salvadoran government and leftwing rebels signed a peace accord in Mexico City which promises to end a war in which 75,000 people have been killed.

Police ring car plants: South Korean riot police surrounded the Hyundai car plants where defiant union workers, armed with steel pipes, are in occupation. They are demanding reinstatement of sacked colleagues. Page 4

Estonia food crisis: Estonia's parliament declared a state of emergency after the country's dwindling food supplies. It created a special committee to control production and distribution.

Refugees shot: The UN postponed evacuation of 15,000 Sudanese refugees from a camp in Ethiopia after four local employees of a German relief agency were murdered by unidentified gunmen.

Boy of 7 kidnapped: Hundreds of police combed Sardinia for a seven-year-old German boy kidnapped from a villa in Porto Cervo.

Death penalty upheld: Cuba's Supreme Court upheld death sentences on two Cuban exiles convicted of terrorism but commuted the sentence on a third man to 30 years.

Forged cash found: London police were questioning a man about Britain's biggest seizure of counterfeit currency. Forged Dutch guilders with a face value of £200 (£30m) were seized.

Out of the frying pan: EU officials were under pressure to free Brussels premises when fire broke out in the basement. They had moved out of their old office because it was considered a fire risk.

### Italy finds \$8.2bn in aid for state groups

The Italian government approved 140,000bn (\$8.2bn) in funds for IRI, the state holding company, and Enim, the state industrial holding. The money will be allocated under a formula intended to circumvent a supreme court block on such funds, and to satisfy the European Commission, which closely monitors aid to Italian industry. Page 14

US economy: President George Bush is formulating a package of tax cuts and economic growth proposals to kick-start the economy, but the White House is withholding details until the State of the Union address on January 28 and formal budget presentations the next day. Page 3

MAXWELL Communication Corporation: Two secretive Swiss holding companies bought some 25m shares in MCC in April 1991, making them key targets of the investigation into an alleged illegal scheme to support the company's share price. Page 14

HELICOPTERS: Aerospace of France and Deutsche Aerospace merged their helicopter interests into a new company called Eurocopter to form the world's second biggest helicopter manufacturer. Page 16

UK BANKS: TSB Group announced a £47m loss for the year, forecasting a series of results from UK banks likely to be the worst in respect of domestic operations since they started to disclose figures almost 20 years ago. Page 15

NATIONAL Westminster Bank, wholly owned US subsidiary of Britain's National Westminster Bank, revealed a \$37.5m loss for 1991, up from \$35.2m in 1990. Page 15

NOKIA, leading Finnish technology group, has appointed Jorma Ollila, 41, head of the company's mobile phones division, as president, starting immediately. He will also become chief executive and chairman on June 1. Page 15

UBOQUAT Round: The US is "drifting towards a preference for managed trade" which is undermining efforts to secure an open multilateral trading system, according to Sir Leon Brittan, EC competition commissioner. Page 3

AUSTRALIA'S unemployment rate rose in December to a post-war record of 10.6 per cent, or 910,300, increasing pressure on the Labor government to stimulate the economy. Page 5

FISONS' most promising product - Thale, an asthma drug - has been strongly criticised by US Food and Drug Administration, casting a shadow over the prospects for profits growth at the UK drug company. Page 16

SIEMENS, German electrical and electronics group, reported a 6 per cent rise in first-quarter net profits to DM98m (\$24m) and indicated that earnings for the year would be around DM2bn. Page 16

PERIER: Italy's Agnelli family came under pressure to launch a direct bid for Perier, French mineral water group, when the stock exchange authorities refused exemption from the obligation to launch an offer. Page 16

## Germany plans shake-up of stock markets

By Christopher Parkes in Bonn

THE German government yesterday launched a comprehensive package of measures aimed at turning Frankfurt into a world financial centre rival London, New York and Tokyo.

The proposals are also aimed at polishing up the country's tarnished image in the wake of a series of financial scandals. At the heart of the plan, the development of "effective and internationally recognised" supervision of securities markets.

The plan, drawn up by Mr Theo Waigel, the German finance minister, would also: ● Make insider trading punishable with up to two years' imprisonment. ● Give fair treatment to investors and provide greater transparency in companies' share registers, in line with international rules of conduct.

● Encourage the country's eight regional stock exchanges to establish a "central stock exchange", providing essential services for the eight from one base.

The measures also include important technical changes aimed at giving financial institutions a bigger competitive edge. Mr Waigel wants the measures approved and written into the statute books by the end of the year.

He said that as the third most powerful economy in the

world, Germany needed a fully developed financial market meeting the finest international standards.

This called for a strong, dynamic, universal banking system, internationally competitive stock markets and an efficient, flexible, high-capacity insurance market.

The federal government is likely to face resistance to some of the proposals from the fiercely independent state governments who fear losses of autonomy.

The Bundesbank, the independent central bank, has in the past opposed some of the liberalisation measures embodied in yesterday's plan.

Mr Waigel proposed legal amendments to give investors greater flexibility. At present, they face strict investment limits.

Under Mr Waigel's proposals they would be able to operate in the money markets alongside them, according to a finance ministry document, to deploy a full portfolio of investment instruments.

The Bundesbank has argued that such liberalisation would interfere with the reserve requirements which are required to maintain.

Mr Waigel also urged the increased use of technology, mainly to reduce transaction costs. This would also have the

effect of increasing market transparency, liquidity and market security.

German markets have been racked recently by the exposure of insider trading scandals and other abuses. The country's decentralised markets system is also considered by some to put it at a disadvantage in comparison with London, Tokyo and New York for example.

The ministry favours a self-regulatory system for keeping markets in order, but says that whatever its form and methods, the markets authority must have powers of control and sanction, and it must also operate from a single base better to co-operate with similar bodies overseas.

Mr Waigel was, however, careful to point out that the proven supervisory systems in the eight regional exchanges should continue and their operations should be "integrated" into the national authority.

As well as helping fund the redevelopment of the former DDR, Germany had "a predestined, key role" to play as the conduit for the international financing of the transformation of central and east European countries to market economies.

Background Page 2  
Lex, Page 14



Mohamed Bouiaf, who will head the Algerian council of state following the resignation of president Chadli Benjedid, arrives in Algiers yesterday after 27 years' exile in Morocco

## Nissan to boost UK factory's output by a third

By John Griffiths in London

NISSAN, the Japanese motor manufacturer, plans to increase production capacity at its Sunderland car plant in north-east England by more than a third to 300,000 units annually by next year.

The move, to be announced in Tokyo this morning by Mr Yutaka Kume, Nissan president, will intensify concerns of indigenous European vehicle producers about the potential long-term volume of Japanese car production in the UK.

Nissan is planning for actual output at Sunderland next year of 270,000, more than double the 124,000 achieved in 1991. The latest move to raise capacity - Nissan's second announced increase within a year - will cost £200m (\$350m) and bring its output expansion far beyond what most in the industry expected.

The latest spending at Sunderland will create 600 jobs and bring investment at the 750-acre site to £900m. It will make the Nissan project the single biggest inward investment by a Japanese company in Europe, overtaking Toyota's £340m car and engine-manufacturing projects at Derby and Shotton in the UK.

Mr Peter Lilley, UK trade secretary, said the Nissan expansion "demonstrates that we remain the most important home for inward investment in Europe". He said he did not expect objections to the plan from other European Community member states.

The increase will lift Nissan's UK production above the 200,000 originally projected when the venture was first announced in the early 1980s. Last year, Nissan Motor Manufacturing (UK) had said it intended to raise production to 220,000 in 1993. It produced 124,000 cars in 1991 and expects to produce 175,000 this year after production of a second model, the Micra, starts in the second half.

The news was welcomed yesterday by component makers who stand to gain substantial new business. Mr Ian Gibson, managing director of the manufacturing subsidiary, said Nissan's spending with European component suppliers would rise to £285m next year from £200m in 1991. Spending with UK-based suppliers would rise from £425m to £455m.

Continued on Page 14  
Nissan flexes, Page 17  
car output falls, Page 9

## Ousted president returns to Georgia

By Neil Buckley in Moscow

GEORGIA'S ousted president, Mr Zviad Gamsakhurdia, yesterday returned from exile to the west of the republic and called on his supporters to arm themselves and march on the capital Tbilisi.

The return of Mr Gamsakhurdia, who fled on January 6 after a bloody two-week siege of parliament by opposition forces, poses a serious threat to the fragile stability that has been achieved. It revives the spectre of civil war not just in the capital but elsewhere in the republic.

Local reports said the president had addressed a rally in the western city of Zugdidi, and announced the beginning

of a civil war against the military council which seized control of the republic after his escape.

The council responded with a television appeal for a counter-demonstration in Tbilisi. Mr Jaba Ioseliani, one of the two leaders of the council, dismissed the threat to the new government and said troops had already been sent to block any march by Gamsakhurdia supporters.

Mr Gamsakhurdia had been sheltering in Armenia, which had offered him temporary asylum, and where he reportedly declared he was still president of Georgia.

He arrived in Sukhumi, on

the Georgian Black Sea coast, in the early hours.

Some reports suggest he flew via Grozny, capital of the Chechen-Ingush autonomous republic north of Georgia, which has expressed support for Mr Gamsakhurdia and called his removal from power illegal.

The extent of any fresh conflict depends on how much popular support remains for the president and on the effect of the anti-Gamsakhurdia propaganda campaign waged by the new government. Since gaining control of republican television, the opposition has made repeated broadcasts denouncing the president and

documenting his alleged abuses of human rights.

Mr Tengiz Sigua, acting prime minister, has accused Mr Gamsakhurdia of a variety of excesses. The accusations range from stealing \$250m from state funds before he fled the republic and embezzling more than \$200m during his presidency, to having set up a "private zoo" for his family.

He has also claimed that documents exist showing that Mr Gamsakhurdia was three times diagnosed mentally ill.

Such denunciations seem to have made little impression on the 1,000 or so supporters of the president who have been demonstrating regularly in

Tbilisi. He also has a hard core of support in western Georgia, particularly among his own ethnic group, the Mingrel people.

The fact that Mr Gamsakhurdia's support is concentrated in Mingrelia and Abkhazia in western Georgia also raises the possibility of a regional/ethnic dimension being added to the conflict. Tens reported yesterday that Gamsakhurdia representatives were discussing the idea of uniting the two regions into an independent Mingrel-Abkhazian republic.

But Mr Viatcheslav Ardzimba, chairman of Abkhazian parliament, said he was unaware of any such discussions.

## French and German groups merge helicopter interests

By Paul Betts, Aerospace Correspondent, in Paris

AEROSPATIALE of France and Deutsche Aerospace yesterday merged their helicopter interests into a new company called Eurocopter to form the world's second biggest helicopter manufacturer after Sikorsky of the US.

Mr Jean-François Bigay, Eurocopter's chairman, said the new company controlled by Aerospace wanted to attract other partners including Agusta of Italy and Westland of the UK, its two European competitors. It also wants to negotiate alliances with Asian partners and possibly with a Russian group.

He confirmed that Aerospace was interested in co-operating with Eurocopter which already has ties with China, Japan and Singapore. The company is also conducting preliminary studies of possible co-operation with a Russian helicopter design group.

In the face of shrinking government defence budgets and a depressed civil helicopter market, Mr Bigay said he expected

the number of leading western helicopter manufacturers to decline from eight to about three or four by the end of the decade.

Eurocopter is the first tangible move in this global rationalisation of the depressed helicopter industry. But further rationalisation in Europe is likely to prove difficult in the short term because both Westland and Agusta have so far shown little interest in associating themselves with Eurocopter. Westland, which is associated with Sikorsky, and Agusta are currently co-operating on the EH 101 naval and troop transport helicopter.

Mr Bigay said the combined Aerospace and Deutsche Aerospace helicopter operations were expected to show a net profit in 1991 of about 4-5 per cent of their combined turnover of FF12.65bn last year. "Anything below that would be disappointing", he added.

The combined operations won 266 new helicopter orders last year worth FF14.4bn with Aerospace accounting for 216 of them. This was lower than the 290 orders Aerospace's helicopter division won in 1990 and reflected the depressed state of the market, especially in the military business.

Mr Bigay said military orders had reached their lowest level since 1980 and prospects for 1992 remained bleak. A further uncertainty was the German government's recent warning to reduce its expenditure on the new Tiger anti-tank helicopter currently being developed by Eurocopter by DM2bn between 1993 and 2005.

Mr Bigay said this could involve between 70 and 75 helicopters.

The Eurocopter chairman warned that the decline in defence spending could lead to more structural problems for the helicopter industry. But Eurocopter planned to strengthen its leadership position in the civil helicopter market to help offset the decline in defence business.

## IF YOU WANT TO TALK BUSINESS

## WE SPEAK YOUR LANGUAGE

When you deal with MMV you're talking to people with extensive hands-on experience in commerce and industry who know exactly what to look for when assessing opportunities.

That means, whatever the transaction: Development Capital, Acquisition Finance, Management Buy-Out, Management Buy-In, Company Restructuring or Share Purchase, whether large or small, MMV will respond innovatively and quickly to support the deal. With links to Midland Montagu, Midland Bank and affiliates throughout Europe, MMV has the capability and experience of leading, arranging and underwriting transactions.

For further information call Ian Forrest on 071 260 9783 or write to him at Midland Montagu Ventures, 10 Lower Thames Street, London EC3R 6AE.

Midland Montagu Ventures  
*The Venture Catalysts*  
LONDON MADRID MILAN MUNICH PARIS

W/5  
MIDLAND MONTAGU IS THE INTERNATIONAL AND INVESTMENT BANKING ARM OF MIDLAND GROUP  
MIDLAND MONTAGU VENTURES LIMITED, A MEMBER OF IMHO.

## Weekend FT

Tomorrow: Voyage of the damned - a slaver's diary of death  
Bordeaux's new white - a taste of the future

### CONTENTS

Soviet aid: Between 50 and 60 nations will attend a conference in Washington	5
Europe's economy: The EMS is starting to look vulnerable	12
Assessing the forest: A project to compile the first comprehensive analysis by satellite	10
Marshall's Comments: A Gulf War audit: Labour wobbles on tax	12
Western leaders: Italy is rushing to build ties with the former Soviet Union	3
May's of London: Reaction among US-based names to the reforms has been tentative	8
Childcare: State provision will be on the agenda of the UK general election	12
International	11
Companies	9
Commodities	22
Consolidation	20
World Trade	20
Editorial Comment	12
Arts Guide + Reviews	11
Commodities	9
Consolidation	22
Crossword	20
Currencies & Money	20
Editorial Comment	12

### MARKETS

STERLING	NEW YORK	DOLLAR	STOCK INDICES
New York lunchtime: \$1.785	New York lunchtime: DM1.815	New York lunchtime: FT-SE 100: 2,541.5 (+4.5)	
London: \$1.7805 (1.795)	London: FF4.505	FT-A All-Share: 1,211.55 (+0.3)	
DM2.25 (2.8475)	FF4.495	FT-SE Euroweek 100: 1,181.02 (-9.50)	
FF4.7125 (2.715)	Y125.0	FT-SE Euroweek 100: 1,181.02 (-9.50)	
FF2.53 (2.3325)	London: DM1.815 (1.622)	DJ Ind. Av. 3,246.57 (-11.83)	
Y225.75 (225.5)	FF5.5175 (5.5325)	S&P Comp 417.81 (-3.16)	
E index 90.0 (88.9)	FF4.437 (1.4425)	Tokyo: Nikkei 1,512.19 (-122.94)	
GOLD	Y128.3 (128.4)		
New York Comex Feb \$357.0 (354.7)	\$ Index 63.4 (63.4)		
London: \$357.55 (354.55)	US lunchtime rates		
9 SBA OIL (Argus)	Fed Funds: 3 3/4%		
Brent 15-day \$17.95 (17.50)	3-mo Treasury Bill: 3.89%		
Chief price change yesterday: Page 15	Long Bond: 104 1/2		
	104 1/2		
	yield: 7.62% (7.556)		

### Speculation continues about China's future leadership

With speculation about China's leadership once Deng Xiaoping and other ageing officials pass from the political scene, attention is focused on two men who have emerged as the country's "economic czars" Page 4

Financial Futures	28
Gold	22
Ind. Capital Markets	19
Letters	13
Law	14
Management	24
Observer	12
Stock Markets	21
Technology	18
Unit Trusts	17
World Index	24







## WORLD TRADE NEWS

## Commissioner warns on Uruguay Round

## Brittan attacks 'drift to managed US trade'

By David Gardner in Brussels

THE US is "drifting towards a preference for managed trade" which is undermining efforts to secure an open multilateral trading system through the General Agreement on Tariffs and Trade (GATT), according to Sir Leon Brittan, EC competition commissioner.

His remarks come during an increasingly sharp transatlantic trade argument, which in the past week has centred on the farm subsidies row within the Uruguay Round negotiations, and the renewed controversy over German exchange rate support to the European Airbus consortium through Daimler-Benz.

Sir Leon, speaking to the Centre for European Policy Research in Paris, highlighted "political deals" the US has struck to gain Japanese market share in semiconductors, public works, aeronautics, satellites and telecommunications and, following President George Bush's visit to Tokyo last week, cars.

He also drew attention to the US's growing arsenal of protective trade measures, ranging from export subsidies and the



Sir Leon Brittan: "political deals"

Buy American Act, to a broad definition of national security which seals off the US defence market and supports related sectors like civil aviation.

He contrasted European car makers' efforts to attack the Japanese market, and the EC's

phased liberalisation of Japanese car imports, to the US's "reaction... to demand a certain share of the Japanese market on political rather than commercial grounds".

Efforts to conclude the Uruguay Round, he said, would be weakened by the evidence of a US drift towards managed trade. Sir Leon warned, moreover, that the European Commission would insist that any openings made in Japan to US business would have to be extended to the EC.

He acknowledged that Japanese business culture all but excluded imports, but insisted that the US counter-strategy would fail to narrow the productivity and competitiveness gap with Japan. He called for a "positive strategy", to uphold and develop GATT, move closer politically to Japan, demand evidence of change from Japan, combine EC-US forces to achieve this, and to "be present in Japan. It is pointless to open up the Japanese market unless European companies are willing to invest time, money and effort in developing it."

## Semiconductor move by Miti

JAPAN'S Ministry of International Trade and Commerce (MITI) is asking more companies to increase their purchases of foreign semiconductors, Reuters reports from Tokyo.

Miti said it would now ask 226 companies, up from 68, to buy at least 30 per cent of their semiconductors from foreign suppliers. The new group accounts for nearly 90 per cent of the Japanese semiconductor market, compared with 80 per cent previously.

Last July's semiconductor agreement between Japan and the US set a target figure of 30 per cent for foreign makers' share of the Japanese market. The actual share in the fourth quarter of 1991 was only 14.16 per cent.

The largest Japanese buyers of semiconductors already buy over 20 per cent from foreign companies, but smaller companies remain more dependent on domestic suppliers.

Japan reaffirmed its efforts to increase its purchases of foreign semiconductors in an "action plan" announced during US President George Bush's visit last week.

## Nissan freezes Lima output

NISSAN has suspended work at its car assembly plant in Peru, it said yesterday, APDN reports from Tokyo.

Japan's second-largest vehicle maker had produced finished cars in Lima, when Peru's 50 per cent tariff on finished cars made marketing of imported cars there prohibitively expensive. But since Peru cut that tariff to 15 per cent last year, it has become cheaper to import finished cars than to assemble them locally from imported parts, the company noted.

Nissan said suspension of work at the plant, in effect since last October, did not necessarily mean the permanent shut-down of production in Peru. But a start-up of production at the plant was unlikely in the near future.

In 1982, at the peak of production, the company said its plant in Peru assembled roughly 8,500 vehicles, largely small passenger cars and trucks.

In May last year, Toyota Japan's largest car maker, also suspended its vehicle-assembling operation in Lima.

## Italians rush to build ties with Moscow

Robert Graham on the search for business opportunities in the former Soviet Union

WHEN Russian President Boris Yeltsin visited Rome just before Christmas, the Italian government and the country's captains of industry rushed in almost unseemly haste to obtain his ear.

Recognising that Mr Yeltsin had finally emerged as the strong man of the former Soviet Union, they were anxious to lay claims to play a leading part in the new commonwealth dominated by Russia. The Italian treasury obligingly waived earlier objections over credit guarantees and unblocked credits worth \$1.2bn (£570m) to purchase essential clothing, footwear and foodstuffs. Formal approval from the Italian export credit guarantee institute Sace was given yesterday to cover 50 per cent of the credits.

For his part, Mr Yeltsin made grandiose promises of collaboration, including an early agreement with Fiat on an automotive joint-venture. He also assumed the all-important responsibility for the unblocked Italian credits.

Such Italian self-interest is not surprising. Both the Italian public and private sectors spent much time and money cultivating links with the former Soviet Union. Only Germany among European Community countries devoted as much attention as Italy to building commercial ties with Moscow.

Italy and Germany shared a common interest in importing energy, but the Italians also regarded the Soviet Union as particularly apt for a whole range of intermediate technology goods as well as cheap consumer items.

By the time of the Soviet break-up, Italy accounted for a quarter of all EC trade. Between 1989-90 Italian imports rose from £2,471bn to £4,938bn (£2.3bn), almost half of which consisted of oil and gas; exports grew more slowly, from £2,403bn to £3,104bn, leaving a substantial deficit.

Although this is only 2 per cent of total Italian trade, Italy, anxious to narrow the deficit, went to great lengths to provide credit guarantees to stimulate business. The government agreed to guarantee credit lines worth £5,000bn between 1990 and 1995.

Italian business therefore now wants to ensure existing contracts are not overtaken by events and to take quick advantage of new opportunities backed by the government commitment to provide export credit guarantees.

Government officials and public and private-sector businessmen all say the main problems are:

- confusion over the juridical nature of the ties within the new commonwealth;
- doubts over the extent to which Russia can act as leader, both in assuming responsibility



Franco Nobili: stress on energy-based deals

ity for old and new debts, and in catalysing contracts which span more than one republic.

This is highlighted by the refusal of the treasury to unblock a £1,200bn credit line agreed in September 1990 with the former Soviet foreign trade bank, VEB, of which less than 10 per cent has been disbursed. Officials at Mediocredito, the medium-term credit institute responsible for disbursing the funds, say no organisation has been satisfactorily identified as capable of assuming the responsibilities which the VEB would have discharged, unlike

the \$1.2bn unblocked during the Yeltsin visit.

Despite these difficulties, contacts are going ahead on a number of deals. Fiat is keen to negotiate a joint venture with Vaz, the former Soviet state automotive producer, and believes a letter of intent could be finalised shortly. The terms of the proposal involve Fiat in taking a 30 per cent stake in a privatised Vaz, modernising and retooling the plant to produce a new car model. No price tag has yet been placed on the proposed investment.

Fiat had for some time sought to strengthen its ties with the Soviet Union, where the potential demand for cars is seen as quadruple the present level, but the Vaz deal was put on hold in early 1990 because of political uncertainties. The Turin-based group now clearly hopes it can reap advantage from obtaining a privileged position in an under-

standing, expanding market. Meanwhile, the need to balance trade and secure energy supplies is a key strategic consideration in a number of Italian state companies active in the former Soviet Union.

Mr Franco Nobili, head of the Italian state holding company IRI, laid special emphasis in his December talks with Mr Yeltsin on going ahead with energy-based deals. Principal among these is a joint venture between Ansaldo, its power engineering subsidiary, and

Russia, Belarus (formerly Belorussia) and Ukraine, to convert existing power stations against the supply of electricity.

Before the Soviet Union broke up, Ansaldo formed the joint venture Energo-Engineering, envisaging the reconstruction to gas of some 16 power stations in these republics. Payment was to be in the form of electricity supplies carried by a new power line through Hungary, Austria and Yugoslavia. Ansaldo would build new sub-stations in an overall arrangement worth £5,000bn.

Ansaldo says Russia is anxious for the deal, but there is considerable confusion over how the Ukraine part of the proposal can be incorporated.

Also with an eye on payment through energy supplies, the Italian state oil concern ENI has agreed to set up a co-ordinating committee with the Russian authorities.

ENI is expected to go ahead with negotiations to modernise the Russian gas-pipeline network, help upgrade seven Russian refineries and assist in the development of Siberian oil. While big projects are likely to be given priority and benefit from counter-trade payments, many small business deals (other than the purely speculative) are expected to be delayed until the situation is clarified. As it is, the Soviet political turmoil saw Italian exports fall in the first nine months of last year by 22 per cent to £1,853bn.

## Lilley visit to boost UK-Mexico trade

By Anthony McDermott

MR Peter Lilley, the UK trade and industry secretary, starts a visit to Mexico on Monday, at the head of a business delegation to take advantage of what he calls the "remarkable developments... over the last few years with the freeing of markets through trade and investment liberalisation, deregulation and privatisation".

One aim will be to increase UK trade with Mexico, which with exports in 1990 of £262m and imports of £172m lags considerably behind the US, other EC countries and Japan. In addition, Mr Lilley intends to discuss the implications of the

North American Free Trade Agreement, linking the US, Canada and Mexico, which subject to approval by the US Senate should come into force this year.

Also on the agenda will be the Uruguay Round of trade liberalisation talks under the General Agreement on Tariffs and Trade.

On this subject, Mr Lilley said that Mexico and the UK "tended to see eye-to-eye" with a view to completing the round - whose negotiators are studying GATT's final and comprehensive proposals - as soon as possible.

## Polish shipyard deal threat

By Christopher Bobinski, recently in Gdynia

HIGH insurance costs are threatening a big contract worth \$90m (£50m) won by Poland's Gdynia shipyard to build two tankers for Burmeister and Wain from Denmark.

The contract for the two 50,000-tonne Aframax vessels, which marks a key step towards recovery for the debt-burdened yard, was signed in mid-November by the Danish shipping and ship-building company.

The Danes, however, are finding that the high costs of insuring the vessels, which are due for delivery at the end of 1993, could mean they will

take the order elsewhere.

Ironically, Mr Henryk Ogryczak, the Gdynia yard's managing director, notes that the problem comes as the yard is emerging from a time of considerable uncertainty.

The new Polish government has adopted a more interventionist approach to industry than its predecessors.

Indeed, Mr Andrzej Olechowski, the deputy trade minister, has said, referring to the Burmeister contract: "Our shipyards are an important part of Poland's export capacity and they must not be permitted to disappear."

The Gdynia yard continued to be modernised until the end

of the 1970s, when shipyards elsewhere were being closed.

Mr Ogryczak, who left the yard in 1986 to start up his own business and returned last year as managing director, is negotiating a restructuring of Gdynia's £1,200bn (£28m) debt with its creditors, who include the government, suppliers and banks. He has also set in train plans to rent out the yard's spare storage at maintenance capacity. The yard at the moment is, among others, building three 150,000-tonne bulk carriers for Dreyfus from France and two 80,000-tonne tankers for Zenith of the UK. The value of Gdynia's present orders exceeds \$200m (£112m).

# British Airways

## would like to offer you a flying start to 1992.

# An extra 500 Air Miles.

If you're already a member of our Air Miles scheme you could be in for a particularly Happy New Year.

Because when you take a British Airways full fare return flight to any one of over 150 destinations around the world, between 1st

January and 29th February, whether you fly from London to Sydney or Manchester to Glasgow, we'll give you an additional 500 Air Miles, redeemable against flights or British Airways Holidays.

And if you've yet to become a member,

that means 500 reasons why you should join now. To enrol, see your Travel Agent or call 0293 511806 (or your membership enquiry line if you're an Executive Club Member).

It's an offer which makes it even easier for you to start flying the world free.

## BRITISH AIRWAYS

The world's favourite airline.



## INTERNATIONAL NEWS

## Wily Shamir's coalition on last legs

Disappointment at partners' resignation may belie Likud gains, writes Hugh Carnegie

AFTER a brief but eventful life of almost 20 months, the coalition government habitually labelled the most extreme in Israel's history looks to be on its last legs.

As is often the case with Mr Yitzhak Shamir, the wily prime minister, it was hard to tell yesterday whether he was happy or sad.

Officially, he was said to be disappointed that Tehiya and Moledet, two extreme right-wing partners in the coalition led by his Likud party, had decided to quit.

Their action was in protest against offering a limited form of self-government to the Palestinians of the occupied territories in the current Middle East peace process.

The coalition, of right-wing and religious parties, weathered the Gulf crisis and presided over a huge influx of Jewish immigrants from the former Soviet Union.

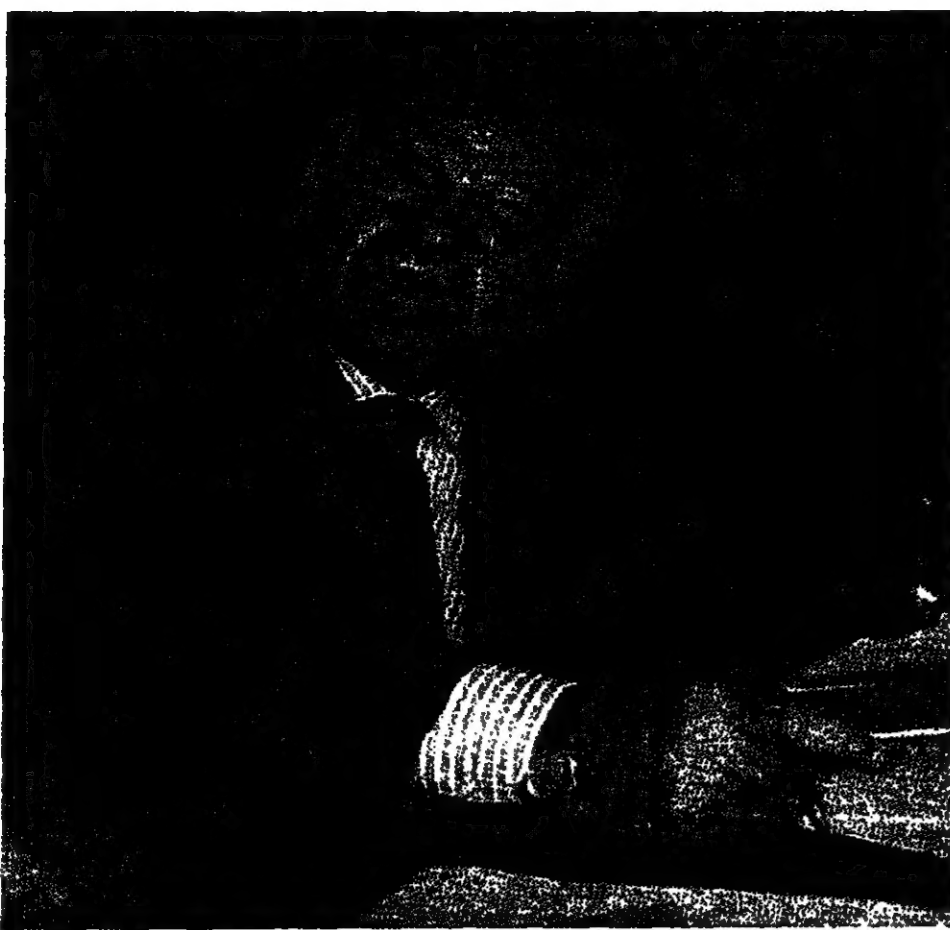
Above all, from the point of view of Likud ideology, it produced an unprecedented expansion of Jewish settlement in the occupied territories while simultaneously achieving Middle East peace talks largely on its own terms.

It might seem that Mr Shamir would want to continue such an arrangement until the due date for a general election in November.

However, there are clear reasons why he may be quite happy if it indeed collapses early next week.

Mr Shamir has the option of running a minority government that might survive until November. But his aides say he would prefer an early election, given that Likud is well ahead of the opposition Labour party in the polls.

The faltering economy could well be in worse shape in November and an early poll would pre-empt attempts by rivals within Likud to chal-



Political poker game: Shamir, in Jerusalem yesterday, could face early elections

enge Mr Shamir's supremacy.

Freed of the far right, Mr Shamir may find it easier to reach agreement with the US on \$10bn in loan guarantees - due to be settled over the next few weeks - which are of great importance to the immigration-burdened economy.

Meanwhile, by continuing the peace talks, he could present himself to the electorate as

a leader who sacrificed his government for the sake of the peace process, undermining but Labour will want to exact a price for its help.

Mr Shamir also faces a dilemma over the loan guarantees. The Likud cannot lightly give in to the main US condition that Israel curb settlements in the West Bank and Gaza Strip - something which

he is seeking Labour party co-operation to engineer a date in the late spring or summer in the late spring or summer.

Before a general election takes place it is due to mount its own leadership battle, pitting current leader Mr Shimon Peres against Mr Yitzhak Rabin, a former prime minister, and at least two other candidates. The contest will sharply expose to voters the deep internal splits within the party - hardly an election-winning formula.

Mr Shamir has resolutely refused to date.

But with an election pending, the leverage President George Bush can exert on Mr Shamir through the loan guarantee issue is undoubtedly enhanced. A serious clash with the US, with which relations have already deteriorated during the life of the present government, would not go down well with most Israelis who fear both the political and economic consequences.

A significant shortfall in the amount requested would seriously jeopardise Israel's ability to borrow large amounts elsewhere and would almost certainly trigger unpopular compensatory measures at home such as tax rises and expenditure cuts, at a time of fast-rising unemployment and economic hardship.

The precarious state of the economy is Labour's most promising election weapon against Likud. But Labour has failed to mount an effective opposition to Mr Shamir since its own grand coalition with Likud broke up two years ago.

Before a general election takes place it is due to mount its own leadership battle, pitting current leader Mr Shimon Peres against Mr Yitzhak Rabin, a former prime minister, and at least two other candidates. The contest will sharply expose to voters the deep internal splits within the party - hardly an election-winning formula.

Mr Shamir's less than anguished reaction to the crumbling of his government stems from his confidence that he holds most of the cards in the domestic political poker game that will ensue in the coming weeks.

However, the joker in the pack for him may prove to be the issue of the loan guarantees held firmly in the grasp of President Bush.

## Israel's chances slim on full loan guarantees

By George Graham in Washington

ISRAEL'S prospects are receding of obtaining the full \$10bn (\$5.5bn) of loan guarantees it has sought from the US to help finance the cost of absorbing Jewish immigrants from the former Soviet Union.

Although President George Bush is not expected to seek any further postponement on the loan guarantees, the administration is unlikely to back the full Israeli request for guarantees on \$2bn of borrowing a year for five years unless Israel agrees to new conditions on its settlements in the occupied territories of the West Bank and Gaza.

President George Bush won a battle of wills with Israel last September when he asked Congress to delay considering the loan guarantees for 120 days. He said the issue would jeopardise the Middle East peace conference which was then due to open in Madrid.

The administration is now expected to come up with a proposal by early February. Mr Bush is extremely sensitive about the Israeli settlements.

He is said to feel that Israel has reneged on promises not to use earlier US-guaranteed loans for construction in the territories.

Arab delegations to the US-sponsored Middle East peace talks, meanwhile, insist that the settlements are obstructing the peace process.

"There can be no progress in any area, in any sphere, unless all settlement activity ceases," said Mr Hanan Ashrawi, the Palestinian delegation's spokeswoman.

Mr Bush is expected to insist either on more explicit pledges

from Prime Minister Yitzhak Shamir, or on a formula such as that suggested by Senator Patrick Leahy, who chairs the Senate foreign aid appropriations sub-committee, which would deduct any money spent on settlements construction from the guarantees.

Few analysts in Washington, however, believe Mr Shamir can concede enough on settlements to satisfy Mr Bush.

But without the White House's explicit backing, congressmen who favour the loan guarantees believe it will be politically difficult to win enough support.

Fundamentalists are finding foreign aid, of which Israel is the principal recipient, with \$1.8bn of military assistance and \$1.2bn of economic support this year, increasingly unpalatable when their constituencies are suffering from recession and the federal government is strapped for cash.

And although Israel is only asking the US to guarantee its borrowings, not provide fresh grants, the request is not cost-free: new budget rules require the US to set aside a proportion of the guarantee to cover the estimated subsidy element behind the loans.

Credit analysts suggest Israel would probably not be able to find such large sums at all without the guarantees, except through very short-term borrowings - rather than 30-year loans.

But if Israel cannot give way on its right to continue building new settlements in the occupied territories, it may have to give up at least part of the \$10bn guarantee it has requested.

## Australian jobless at post-war high

By Kevin Brown in Sydney

AUSTRALIA'S unemployment rate rose to a post-war record of 10.6 per cent in December, increasing pressure on the troubled Labor government to take urgent action to stimulate the economy.

The government statistical service said the number of unemployed increased to 910,300 from 900,700 in November, when 10.5 per cent of the workforce was unemployed, also a post-war record.

However, the gloomy message about the continued fragility of the economy was tempered by a rise of 39,500 in employment, which provided some hope that the jobless total may be close to peaking.

The unusual increase in both the employment and unemployment totals was caused by an increase from 63 per cent to 83.8 per cent in the participation ratio, which measures the proportion of the workforce which is working or actively seeking work.

Mr Kim Beazley, the employment minister, said the figures indicated that the employment level had stopped falling, leading indicators released by the employment department also suggested that further large declines in employment were unlikely.

However, the government is still expecting unemployment to rise to 10.7 per cent later this year. Some independent economists believe unemployment will peak at 11 per cent and remain above 10 per cent until next year.

Mr Paul Keating, the prime minister, said the unemployment figure was "a bit too high" and promised that an economic statement planned for late February or early March would "turn it around".

Mr Keating replaced Mr Bob Hawke as prime minister last month after pledging to "get the economy moving again" following flat or negative growth in seven of the last eight quarters.

Business leaders have told Mr Keating the economy is in even worse shape than the official figures suggest, and are pressing him to deliver a significant fiscal stimulus. Trade union leaders also want a relaxation of fiscal policy.

Keating's response to a package of measures designed to stimulate private sector investment and finance government infrastructure projects, probably worth between A\$1.5bn (\$100m) and A\$2bn.

Mr A.R. Ben-Menashe, an Israeli who claims to have been a middle-man in secret negotiations between the US and Iran, has been ordered to leave Australia by the end of the month.

## Boudiaf gets hero's welcome after 28 years abroad

## Algerian leader returns from exile

By Francis Ghiles in Algiers and Agencies

MR MOHAMED BOUDIAF, Algeria's new head of state, returned to Algiers yesterday, from 28 years' exile in Morocco, to a hero's welcome.

The 72-year-old veteran of Algeria's independence war, sentenced to death in 1964 by his own country for political activity, will head the five-man High Council of State, set up following the resignation of President Chadli Bendjedid on Saturday and the cancellation of a second round of elections.

The poll was widely expected to have catapulted the fundamentalist Islamic Salvation Front into power.

The first man to welcome him was Gen Khaled Nezzar, the defence minister and a key member of ruling council.

"As in the past, I promise the Algerian people that I will give all my efforts to guarantee their prosperity and to serve them," Mr Boudiaf said on arrival yesterday.

All three parties that won seats in the first round of the now aborted elections - the FIS, the National Liberation Front and the Front des Forces Socialistes - continue to describe the events of the past few days as unconstitutional.

However, none of them appears, to be prepared to risk challenging those now ruling

the country with more than words.

The parties have held meetings over the past two days, apparently aimed at co-ordinating their response towards the new council - which has made no promise as yet so far to hold elections of any kind.

The FIS has pledged to oppose the new leadership legally. In a communiqué issued after Mr Boudiaf's arrival, it called for calm and patience, telling its militants to avoid provocation.

The FIS has accused the authorities of starting to arrest its members. There has been no official confirmation of this.

## Korean police surround Hyundai car plants

SOUTH KOREAN riot police yesterday surrounded the troubled Hyundai car plants where defiant union workers, armed with steel pipes, settled down for a drawn-out occupation, Renter reports from Seoul.

"We have hundreds of police outside the plants keeping watch. And over 1,000 more are coming from Pusan," said the police in the nearby south-eastern city of Ulsan.

Workers sporting red headbands built elaborate barricades at the 13 main gates, using two fire engines, cars, tyres and doors, and ordered company officials and non-union workers out of the main buildings.

Hyundai ordered the plants to close temporarily from today after unionists voted on Tuesday to upgrade a five-month dispute into full-time industrial action.

The company said Hyundai would withhold 70 per cent of workers' salaries during the closure.

The union said workers were demanding the release of several employees arrested in sporadic labour disputes five months ago. They want 11 unionists sacked this year - for what the company said was illegal labour activity - to be reinstated.

The union had threatened to begin a full-scale strike from next Monday if the management rejected its demands.

## Tokyo store sales in largest fall since 1965

By Robert Thomson in Tokyo

TOKYO department store sales fell 2.4 per cent in December from a year earlier, the largest fall since 1965, and a sign of easing consumer demand and of a more general slowing of Japanese economic growth.

Japanese retailers, who regard the Tokyo figures as an important indicator, said unusually warm weather had caused a decline in winter clothing sales, but that sharp falls in sales of art works and other luxury items were clearly linked to the collapse of the financial "bubble".

The fall was the steepest recorded by the Japan Department Stores Association since

it began releasing sales figures in 1965, apart from the distortions caused by the introduction of a value-added tax in 1989.

Sales of art works and crafts were down 15 per cent on a year earlier, sales of household items fell 3.5 per cent.

For the full year, sales rose only 2.4 per cent on 1990, the third lowest increase since 1965.

Meanwhile, the Japan Iron and Steel Federation yesterday reported that the country's crude steel production last year totalled 106.6m tons, down 0.8 per cent from 1990.

## China's 'economic czars' rise to fame

A Beijing Correspondent describes two leading candidates for the top leadership

WITH speculation continuing about China's future leadership after elder-statesman Deng Xiaoping and other ageing officials pass from the political scene, more and more attention is being focused on two men who have emerged as the country's "economic czars".

Vice-Premiers Zhu Rongji, widely viewed as a reformer, and Zou Jiahua, seen as a more cautious state planner, have played an increasingly important role during the past six months as Beijing wrestles with one of the most serious economic issues to threaten the ruling Communist party: how to deal with China's bloated, state-run enterprises.

These two men are the country's real economic brain trust, says one western diplomat. "They are the heads of the most powerful pieces of the Chinese government."

Vice-Premier Zhu is director of the State Production Office, whose task is the day-to-day management of the debt-ridden state sector. Zou runs the State Planning Commission, which determines long-term strategies for medium and large state-run enterprises. Both are seen as possible contenders to become prime minister if the man now holding that office, Li Peng, is pushed or steps aside.

The differences between Zhu and Zou are significant.

Zhu is the action man, the "spark plug," the diplomat says. "He's the man who brings energy. He wants to get things done." Zhu has charisma. A western banker who has dealt with him says that he "exudes a sense of confidence and leadership. He is direct and emphasises practical issues."

Zou, however, "doesn't have the moral authority Zhu has," the diplomat says. "But he is an effective spokesperson for his brand of reform, which is mainstream."

Their handling of the troubled state sector illustrates both the contrasting styles of the two men and the contradictions the party they serve faces in resolving these problems.



Zhu Rongji (left) is the spark plug, while Zou Jiahua is a cautious state planner

After a decade of market-oriented reform, private and collectively-owned enterprises have sharply outperformed the state sector, which now accounts for about 55 per cent of the country's industrial output, compared with about 80 per cent in the early 1980s.

Even according to the Chinese, nearly a third of the country's thousands of state-owned enterprises are in the red. Western estimates place the figure closer to 70 per cent.

There is no doubt Beijing recognises that there is a serious crisis. It has chosen Zhu as the most likely candidate to salvage the situation. He was given the extremely difficult task of raising the efficiency of the state enterprises and reducing both the country's huge 300bn yuan domestic inter-company debt and its enormous stockpiles of unwanted, shoddy goods.

Zhu's selection was believed to be an opportunity for him to demonstrate whether he has the qualities to become the country's next leader. Observers said his task was not only one of the most important but

at the same time one of the most difficult.

In fact, Zhu appears to have had some modest success in reducing China's stockpile of cigarettes and textiles. There is also speculation that he is responsible, at least in part, for recent moves calling for greater autonomy of state-run enterprises.

Nonetheless, the problems are deep-seated and cannot easily be resolved without raising the even more profound issue of the gradual elimination of the state sector, a prospect which would threaten the very identity of the Communist party and the core of the socialist economy. Zhu faces some hostility from conservatives and hardliners who see his appointment as such a threat to their interests that they hope he will fail, say western analysts.

On the other hand, while Zou is not as vigorously involved in the daily management of the state sector's many difficulties, he must provide significant input for the country's Five Year Plan and take a longer-term view of the econ-

omy.

Zhu is a trouble-shooter who breaks up bottlenecks, whereas Zou is a more conservative gradualist, western diplomats say, adding that both believe economic reform is the only way the Chinese system can improve.

Zou supports the revitalisation of medium and large state enterprises, but without relinquishing party control. He firmly believes that the radical measures such as privatisation that were adopted in eastern Europe are not a viable option for China. "He has consistently argued for central, top-down planning."

Each man has powerful connections with China's party elders. Zhu's patron is Deng Xiaoping himself. Zou is linked to the older generation of China's revolutionary leaders. His immediate benefactor is the economic planner Chen Yun.

Although both are from Shanghai, their backgrounds are as different as are their patrons.

Like Premier Li, Zou studied in the Soviet Union and has extensive ties to the country's

military-industrial complex, including reportedly having worked for Norinco, one of the country's largest arms exporters.

Zhu began to acquire more prominent recognition when he became mayor of Shanghai in 1988 and is remembered for his cool-headed approach in Shanghai to the 1989 Tiananmen Square crackdown.

Chinese respect Zhu as a very efficient, tough-minded decision-maker who is unafraid to sternly criticise bureaucrats, even publicly.

But this last attribute has earned him enemies and he seems ready to have adopted a lower public profile. And while he plays down ideological concerns, he has carefully avoided disputing openly the party line that state enterprises must remain in public hands.

He apparently enjoys bold, dramatic moves and is responsible for the construction of two Shanghai bridges. They are spectacular engineering feats that cause the Shanghai, linking the city centre with the Pudong investment zone in the eastern suburbs. "These were very expensive solutions to crossing a river," a western banker said. "A tunnel would have been much cheaper, but nobody would see it. These bridges are monuments to him and Shanghai."

Unlike Zhu, Zou lacks charisma, but has a reputation as an effective technocrat who understands complex economic issues. Despite his trip to Europe this autumn, he has less of a public persona than Zhu and fewer details are available about his life. "Like Li Peng, he doesn't look good in public, but he is a power broker," one western observer said.

If both were given the chance to become premier, analysts believe Zhu would bring change, while Zou would continue current policies. But their true colours may not surface until one of the elderly leaders dies or leaves the political scene.

IMPORTANT NOTICE  
BANK OF CREDIT AND COMMERCE  
INTERNATIONAL S.A.ISLE OF MAN DEPOSITORS  
COMPENSATION SCHEME

A winding up order having been made against Bank of Credit and Commerce International S.A. ("BCCI"), the Isle of Man Financial Supervision Commission determined that BCCI was in default for the purposes of the Isle of Man Depositors Compensation Scheme with effect from 16th January 1992 and the Scheme is therefore now in operation in relation to BCCI. The Commission will be contacting all known depositors with the Isle of Man branch of BCCI inviting them to apply for a claim form for compensation under the Scheme. Further information regarding the Scheme can be obtained by telephone 0624-621000.

The Scheme Manager  
Depositors Compensation Scheme  
PO Box 36  
DOUGLAS  
Isle of Man



## AMERICAN NEWS

# Health care gaffe shows up Buchanan

By Lionel Barber in Concord, New Hampshire

MR PATRICK BUCHANAN, the right-wing challenger to President George Bush, for the Republican presidential nomination this year, made a big gaffe on health care policy yesterday, telling a group of pensioners he was so wealthy he did not have to bother about health insurance.

The television commentator and former speechwriter to presidents Nixon and Reagan, complained that the present US health-care system was suffering from excessive bureaucracy, waste and form-filling. "When I go to the doctor - and I am a wealthy man - these [insurance] forms are so complex I can't fill them out. I just tell my wife: 'Send them a cheque'."

Mr Buchanan was addressing more than 150 members of the American Association of Retired Persons in an event billed as a chance for him to outline his policy for health care reform.

The response in the audience was hostile. Several pensioners said Mr Buchanan had confused private insurance company forms with federal government programmes such as Medicare.

Earlier, he had delivered a blistering attack on Mr Bush

for having broken his pledge to impose no new taxes, which rescued the president's faltering for election campaign in 1988. Mr Bush faces his first campaign test in the New Hampshire primary contest against Mr Buchanan next month.

The president, who had visited New Hampshire on Wednesday, said he would unveil a wide-ranging health care plan in his State of the Union address this month. One proposal under review is to offer health care tax credits to low-income groups and the uninsured.

Mr Buchanan said he favoured tax credits and opposed a nationalised health system, such as that in Britain. The doctor-patient relationship disappears, he said, referring to the UK. "You have bureaucrats dealing with bureaucrats." He also said US medical technology was far superior to Britain's.

His main theme is "America first". He repeated his attacks on foreign aid and on defence spending abroad, saying countries such as Germany should defend themselves. "Can't the Germans defend Munich? I mean, their tradition is not wholly pacifist."



Pat Buchanan (left), a self-confessed wealthy man on the stump, meets one of the other New Hampshire voters.

## Bush finalises plans for cutting taxes

By George Graham in Washington

PRESIDENT George Bush is completing a package of tax cuts and economic growth proposals to prod the US economy out of recession.

The White House is withholding details of the proposals until he unveils them in his State of the Union speech on January 28 and in formal budget presentations the next day.

However, several proposals likely to be included have emerged - many of them measures that Mr Bush has already tried for in the past, such as a cut in the capital gains tax.

Mr Bush said this week he wants to avoid "quick fixes" and focus his proposals on measures to stimulate investment and savings, not the across-the-board income tax cuts Democratic congressional leaders have put forward.

However, the administration is reported by the Washington Post to be considering raising personal income tax allowances by as much as \$1,000 (\$260) per child - although other sources indicate a much smaller rise - to give a \$150-\$170 tax cut for families. The advantage of this measure is that it would start trickling through immediately as companies withheld less tax from employees' salaries.

The administration is also reported to have decided on a tax credit for first-time homebuyers, expected to total \$2,000-\$5,000, changes in depreciation rules to encourage companies to invest more, and tax credits to help lower-income families pay for health insurance.

Other health measures are expected to include a limit on how much companies can deduct for health insurance plans provided to higher-income employees.

Medical care, where prices rose by 7.9 per cent in 1991. There is a long-established pattern of this outstripping general consumer price inflation.

Other components of the index to rise sharply included alcoholic drinks, which climbed 9.9 per cent largely as a result of higher federal excise taxes; tobacco products, up 11.1 per cent; and school tuition and fees, up 9.5 per cent.

The seasonally adjusted 0.3 per cent December price increase was slightly higher than private-sector economists had been forecasting, but it remained relatively modest.

The main exception was

## Death sentences stand in Cuba

CUBA'S Supreme Court upheld late on Wednesday the death sentences on two Miami residents who tried to infiltrate the island, but commuted the death sentences on their associate, to 30 years in jail, AP writes from Mexico City.

The decision came after a five-hour hearing in which the men expressed remorse and pleaded for their lives. They confirmed Cuban claims that they had been trained and armed in the US for sabotage in Cuba, with the knowledge of the Washington government.

The Council of State is to hear a further appeal.

## Lima 'targeted by terrorists'

PERU'S capital is now the prime target for terrorist attacks, according to a Senate Commission, Sally Bowen reports from Lima.

Last year, Lima was the object of 572 separate terrorist actions, most by the Maoist guerrilla group Shining Path. Actions in the high Andes, meanwhile, the area that used to be that most affected by terrorism, totalled 540.

Terrorist attacks nationwide (1,650 last year) fell almost 30 per cent from the 1990 high, but deaths by political violence stayed about the same - 1,569 against 1,610 in 1990.

# Baker faces a fear of failure far from home

Lionel Barber assesses the Washington conference next week on aid to the former Soviet republics

WHEN Mr James Baker, US secretary of state, called last month for an international conference on aid to what used to be the Soviet Union, some of his closest colleagues felt they had been ambushed.

He offered no date, no firm list of invitations, and only a sketchy preview of the conference's objectives.

Mr Nicholas Brady, US Treasury secretary, was reported as livid at the failure to consult European allies scrambled to respond.

Now, with less than a week until the conference in Washington on January 22-23, the mood is more favourable.

Some 50-60 governments are expected to send delegations, supported by the International Monetary Fund, the World Bank and the European Bank for Reconstruction and Development (EBRD).

Mr Baker can claim to have rounded up an impressive posse.

US officials say the immediate purpose of the conference is practical: how best to ensure efficient distribution of food, medicine and other humanitarian supplies this winter and next, amid widespread reports of official corruption, waste and incompetence in the former Soviet republics.

Western donors have their own problems, too. The flood of well-meaning visitors to Moscow, Kiev, Minsk and other reformist centres has reached a point where Soviet reformers risk being smothered with kindness.

"We need an orderly division of labour," said one US official. A second US goal is to avoid creating a new bureaucracy to co-ordinate aid. The Treasury and the State Department are wary of putative efforts by Europeans to create a new superstructure which could dilute US influence on the Continent, along the lines of the EBRD.

The picture has shifted since 1989, when President George Bush awarded the European Commission the task of co-ordinating aid to Poland and Hungary. Then, Mr Bush wanted to show he was a good European, unafraid of sharing political burdens with the EC.

On Soviet aid, the balancing act is more difficult: the US remains loath to cede too much of the initiative to the Europeans.

In his speech at Princeton University last month, Mr Baker staked out a bolder US policy toward the disintegrating Soviet Union.

He may have been responding to a general drift within the administration as the senior ranks waited for the res-

ignation of Soviet President Mikhail Gorbachev, but other observers argue that he wanted to put the US in the driving seat before it was too late.

Yet Mr Baker's well-honed rhetoric, suggesting that the west had a duty to respond to the historic opportunities created by the new Russian revolution, stopped short of a commitment to direct US financial aid. Instead, the State Department prefers to talk about "collective engagement".

Some senior US officials compare this, in glowing terms, to the global coalition assembled by Mr Bush against Iraq a year ago. Hence Mr Baker's call for a "coalition in support of freedom", in support of democracy and free markets in what was the Soviet Union.

Allies are more sceptical, describing "collective engagement" as a fancy phrase to cover up the real goal of using other people's money to serve US foreign policy goals.

In 1991, the US persuaded allies such as Germany, Japan and Gulf Arab states to stump up more than \$50bn to pay for the war against Iraq, and to finance aid to "front-line" states such as Egypt, Jordan and Turkey. By some calculations, the US even turned in a small profit.

In 1992, there is a real difference. "At least the Americans provided half-a-million troops to fight the war," said one western diplomat. "What are they offering now?"

The US response is that the meeting is not a "pledging" conference (if countries wish to offer money, though, they will not be turned down). More

important, officials say, is the US bestowing that rare, elusive quality called political leadership.

As the self-styled power-broker extraordinaire, the US may well be best placed to persuade other countries to agree to a division of labour. One obvious option is to play on fears about German domination of Soviet aid policy, says one US official.

Taking a less cynical view, the US could offer, as Mr Baker suggested in his Princeton speech to launch the initiative, scientific expertise to help the ex-Soviets dismantle their nuclear weapons; the Nordic countries could focus on the Baltic states; western US states such as Oregon and Alaska, as well as Japan and South Korea, could develop the Soviet far east.

The big question next week is whether Mr Baker will put the conference agenda on US lines or whether other countries - notably Germany - will broaden the debate to include a discussion on how the West should support economic reform in the space vacated by the Soviet Union.

This might include, for instance, a proposal for a Russian Economic Development Bank pressing micro-economic reform in concert with the macro-economic efforts of the IMF and World Bank. These and other ideas about fostering "grass-roots capitalism" have been floated in recent weeks in Washington.

So far, the administration is treading cautiously, aware that the mood in the US has turned markedly introspective and hostile to foreign aid of all shapes and sizes.

This is mainly due to the sluggishness of the US economy, but it also reflects a fear of failure in dealing with the significant task of overhauling the economy of its long-time adversary.

Reconciling this fear of failure with the desire for leadership on Soviet aid will be Mr Baker's trickiest task next week - a task worthy of the master of political stage-management.

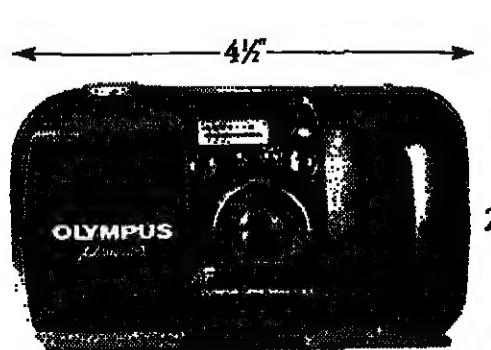


## When Helen chose the Olympus she had one thing on her mind. Space.

For her trip into the history books Helen Sharman chose the Olympus Mju camera.

Its ultra-compact design makes it ideal when you've no room for excess baggage.

The Mju's incredibly light body (just six ounces) renders it virtually weightless.



And, unlike her space craft, there are only three buttons to press. Everything is automatic.

Having passed Helen's scrutiny it then went on to pass the rigorous tests of the space flight technicians.

Olympus Mju. The perfect camera to go around with. **OLYMPUS**



## UK NEWS

## MPs seek protection for British Airways

By Charles Leadbeater, Industrial Editor

BRITISH Airways should be protected from increasing competition in Europe from large US airlines until foreign carriers gain access to the domestic aviation market in North America, according to a parliamentary report published yesterday.

The report by a cross-party committee of MPs will be welcomed by British Airways which has become increasingly critical of the government's policy of allowing US airlines greater access to British airports.

The study by the House of Commons Transport Committee says further moves to open up the UK market should be postponed until British Airways gets cabotage rights in the US. Cabotage allows an airline based in one country to operate domestic services in another country.

BA has also pressed the authorities in Washington to ease restrictions on foreign ownership of US carriers.

The committee of MPs wants the government to maintain restrictions on landing rights at London airports as a bargaining counter in future talks with the US authorities.

The report says: "These are early days in the new battle for transatlantic market share and we trust the government will see a role in developing opportunities for British carriers as well as providing better services for consumers."

An agreement last year allowed American Airlines and United to take over slots at Heathrow airport previously operated by Pan Am and TWA. Under the deal, the US carriers must keep their services to the level operated by UK airlines for three years.

The committee suggests that these restrictions should be lifted only if there is progress to create a "level playing field" with the opening up of the US market.

It says the Department of Transport significantly over-estimated the benefits of the deal when it was negotiated last March. Mr Malcolm Rifkind, the transport secretary, said then that the deal would bring British airlines financial benefits of £200m a year. But the department has since recalculated the impact of the deal after British Airways complained it was worth only £130m a year to UK carriers.

The report says the European Commission should introduce merger regulations to prevent its plans to liberalise the air transport market being undermined by growing industrial concentration.

It warns that the EC's liberalisation programme will face a fierce rearguard action from governments keen to protect their national airlines, which is likely to delay its implementation well beyond the 1996 target date.

## LLOYD'S REFORMS

## US Names react coolly to proposed measures

By Nikki Tall in New York

REACTION amongst US-based Names to the Lloyd's of London reform package has been tentative, with many individuals having to base their limited comments on newspaper reports. But if a prevailing sentiment could be gleaned, it was that the proposed measures had come at least a decade too late.

"They're trying to rectify the mistakes of the past," said Mr Dale Jenkins, one of the US Names involved in legal action against Lloyd's. Even with the proposed changes, he said, Lloyd's would have limitations as an investment vehicle. "There needs to be a complete housekeeping of the management."

Another New York-based Name said: "Compulsory stop-

## Opinion polls leave election wide open

By Philip Stephens, Political Editor

TWO new opinion polls last night left the outcome of the impending general election wide open as the opposition Labour party confirmed that it is ready to soften its planned increases in National Insurance Contributions (NICs).

With one survey giving the government a 4.5 per cent lead over Labour, some senior ministers - buoyed further by yesterday's round of mortgage rate cuts - were actively canvassing April 9 as the most likely election date.

But with the other pointing to a 3 point Labour lead, others insisted that the prime minister was still keeping open the possibility of May 7. They acknowledged, however, that the prime minister may face a

growing bandwagon in favour of an election within weeks of a tax-cutting March budget.

The date of the budget is expected to be announced next week, with government officials insisting that March 3, March 10 and March 17 all remain options.

The latter, however, would effectively rule out an early April election.

Facing a fresh Conservative onslaught on its tax and spending proposals, Mr John Smith, Labour's chief finance spokesman, said he would keep open the option of phasing in over a number of years the proposed abolition of the £20,280 ceiling on NICs, the levy charged on salaries to pay for social security benefits.

As Labour officials admitted

the party had underestimated the potential impact on voters in the south east of taking another 9 per cent earnings over that ceiling, there were signs that Mr Neil Kinnock, the party leader, now regards phasing as inevitable.

Mr Smith fiercely denied the decision marked a retreat from the party's previous policy, citing long-standing Labour commitments to avoid large disruption of family budgets.

But amid angry clashes with Mr Kinnock in the House of Commons Mr John Major said that Labour's tax and spending policies had been reduced to a "shambles". He added: "The only thing that is certain is that a party that promises to spend and spend is a party that

has to tax and tax," he said.

That was followed by new Conservative figures showing that in London the proposed NICs change would bring higher bills for those on just above average income.

Labour released no details of the way it could phase in the abolition of the NICs ceiling. But officials pointed out that the planned rises in the top rate of income tax and limits on allowances meant that immediate abolition was not necessary in order to finance the party's pledges to raise pensions and child benefit.

As campaigning for the election reached a new pitch, both parties drew consolation from the two apparently conflicting opinion polls which suggest

that in fact they are running neck-and-neck.

A Gallup survey for this morning's Daily Telegraph gave the Conservatives a 4.5 point lead with 42 per cent of the vote against Labour's 37.5 per cent and the Liberal Democrats 15 per cent. That compared with a 2.5 point Conservative lead last month. The survey also appeared to confirm recent private opinion polling showing that despite the recession, the voters are putting more confidence in the Conservatives economic and tax policies.

An NOP survey for today's Independent, however, provided conflicting evidence, showing a three-point Labour lead.

## Patten attacks Labour's 'outdated' defence plans

BRITAIN'S Conservative party yesterday switched the focus of its re-election campaign on to the defence policies of the Labour opposition.

Mr Chris Patten, the Tory party chairman, said Labour had failed to update its defence plans following the collapse of the Soviet bloc and issued an ultimatum to Neil Kinnock to make plain his party's policies.

"Labour are scared stiff of discussing defence," he told a news conference in London.

Labour's most recent defence paper, *Meet The Challenge, Make The Change*, was published in May 1989, before the fall of the Berlin Wall, he said.

"That document belongs to ancient history. And it pledged Labour to negotiate away our entire nuclear deterrent in return for just a tiny fraction of the former Soviet nuclear arsenal." With the world's current instability Britain's nuclear defence was a vital issue, he added.

Rejecting the Tory claims, Mr Martin O'Neill, Labour's defence spokesman, accused the government of being more interested in "trying to foment an artificial debate about security matters" than addressing current domestic economic problems.



On the offensive: Chris Patten claims Labour will jettison Britain's nuclear deterrent if it wins the election

## UK jobless rate rises to 9%

By Emma Tucker, Economics Staff

BRITAIN'S unemployment rate rose to 9 per cent in December, the highest in four years.

Last month's 31,000 increase in the seasonally adjusted jobless figure - the twenty-first successive monthly increase - took the total number of unemployed to 2,55m, a peak last touched in December 1987.

Overall unemployment rose by 70,000 last year.

Among industrialised countries, Britain, second only to Finland, experienced the highest rate of increase in unemployment in December compared with a year ago.

At the same time the rise in average earnings in the year to November stayed level at 7.5 per cent, unchanged from the October rate and disappointing

hopes for a drop below 7 per cent.

The rate of increase of average earnings has been falling since a peak of 10.25 per cent in July 1990 but has not yet dropped below 7.5 per cent - the lowest annual rate recorded in the 1980s - despite the depth of the recession.

December's increase followed a revised rise of 40,500 in November, and brought the average rise over the past six months to 41,000. In the six months to June 1991, the average monthly rise was 76,300.

Labour seized upon the figures as further evidence that the economy was showing no signs of recovery.

Mr Michael Howard, the employment secretary, greeted

the figures as evidence that the unemployment rate had eased over the year.

He also drew comfort from figures indicating a 14,000 rise in the number of unfilled vacancies in job centres in December compared with the previous month.

Figures for the third quarter of 1991 showed that the number of people employed in manufacturing industry had fallen by 88,000 compared with the previous quarter and by 96,000 in service industries.

The areas worst hit by unemployment included the south east and the south west. Regionally the highest rates of unemployment were in Northern Ireland, the north and the north west.

## Government may cut youth training funds

By Lisa Wood, Labour Staff

THE UK Department of Employment is planning "a substantial reduction" in the weekly contributions it makes for youth training, its main scheme for 16 to 18-year-olds.

The move will be strongly resisted by training and enterprise councils (TECs). These are about to commence detailed negotiations for operating contracts for the current year.

A confidential memorandum circulating among TECs, which administer youth training, has warned that a reduction in funds would cause bankruptcies among training providers.

It could also mean that the government could fail to meet

its guarantee of a training place to all young people who want one.

Last week, Fulltimeplus, which trains ethnic minorities, went into liquidation while Apex Trust, which trains ex-offenders, may go into liquidation this week.

The Department of Employment, under pressure from the Treasury, wants increased volumes of training in 1992-93 for roughly the same amount of money as in 1991-92.

TECs have over the past year been financially hard pressed to deliver the government's guarantee of a place for all young people who want one.

## BRITAIN IN BRIEF



## UK mortgage lenders reduce interest rates

The three largest UK mortgage lenders unexpectedly lowered their rates for borrowers from 11.55 per cent to 10.99 per cent in an effort to revive the housing market. Rates have now come down seven times in the past 16 months and are around their lowest for almost four years. This is the first time that lenders have moved their interest rates ahead of a cut in base rates by the government. *Lex, Page 14*

## Ulster talks remain stalled

The prospect of "round table" talks on Northern Ireland taking place before the general election fell dramatically last night as the Northern Ireland Office said that, despite discussions with local leaders, "we are not moving forward".

Mr Peter Brooke, Northern Ireland secretary, met the nationalist Social Democratic and Labour party yesterday to discuss how to overcome the biggest obstacle remaining - whether talks could continue if interrupted by a general election. But no progress was made.

## Fall in car production

UK car production fell by 4.5 per cent last year to 1,336,923 from 1,395,610 in 1990, the second successive annual decline.

Car output in December alone fell heavily by 13.9 per cent from the fifth sharp monthly fall in succession. In spite of the deep recession in the domestic new car market, UK car output was sustained earlier in the year by a big jump in production for export markets. Output has fallen heavily in the last five months, however, as weakening demand from export markets has begun to compound the still falling level of production for the domestic market. On a seasonally adjusted basis car production in the six months to the end of December was 13 per cent lower than in the previous six months and 16 per cent lower than in the same six months a year ago.

## Ofgas cool on assurances

The Office of Gas Supply (Ofgas), the gas industry regulator, has reacted coolly to assurances that British Gas said it received from Mr John Wakeham, energy secretary, that could enable the company to raise domestic prices.

Mr Wakeham's assurances had encouraged British Gas to agree on Wednesday to sweeping changes proposed by the Office of Fair Trading (OFT) in its industrial gas business. The OFT proposals include halving British Gas' share of the industrial market to 40 per cent and separating its pipeline business into a different company. But Sir James McKinnon, director general of Ofgas, said that Mr Wakeham had no influence over customer prices.

## Study into corporate tax

The UK has the tenth highest rate of average corporate taxes among all 24 OECD countries, according to a detailed analysis conducted by the Institute of Fiscal Studies. The study also shows that corporate taxes in the different countries tend to discourage cross-border investment and to favour

debt finance over equity or retained earnings, which leaves companies vulnerable to the effects of inflation. Turkey has the highest required rate of return at 7.3 per cent, while the lowest is in Greece and Sweden, at 5 per cent. The UK is at 6.5 per cent.

## Challenge to legal fixed fees

The Law Society is to press the government to postpone plans to introduce fixed fees for criminal legal aid work in magistrates' courts until the matter has been examined by the Royal Commission on Criminal Justice. The Commission, set up last year after the release of the Birmingham Six, has written to the society inviting it to submit evidence on its concerns about criminal legal aid. The letter says: "It would be very concerned if the consequences of the proposed arrangements for fixed fees were to do damage to the criminal justice system."

## Pollution cases rise says FoE

Water pollution incidents in seven of the ten regions of England and Wales have increased according to a report from the National Rivers Authority, obtained by the Friends of the Earth. However, between 1988 to 1990 there had been a 3.5 per cent drop overall in pollution incidents from 26,928 to 25,983. The NRA said that FoE had obtained an early draft of the report and that the final version to be published later this month would show entirely different figures.

## Progress on engineers' group

The creation of a single body to represent the UK's fragmented engineering profession has come a step closer following the Engineering Council's decision to endorse a framework for a new group to set minimum standards for the industry. The council, the umbrella body for 46 professional engineering institutions, has agreed to set up a steering group to look at the possible role and responsibilities of a new body. The move is the next stage in a personal initiative launched in November by Sir John Fairclough, chairman of the Engineering Council.

## Investors buy £1bn securities

British institutional investors became net buyers of UK government securities in the third quarter of last year after several years as net sellers, according to official figures. The Bank of England reported that long term investors such as pension funds, insurance companies and investment, unit and property unit trusts, bought a net £1bn of UK government securities in the quarter after being net sellers of nearly £20m of such securities in the first half of 1991. The institutions sold a net £2.96bn of UK government securities in 1990 and £6.49bn in 1989.

## Funding for inner cities

Some of the country's most deprived inner city areas are to be helped by a £260m urban programme package unveiled by the government. Initial allocations for 1992-93 to 67 urban programme authorities amount to £248m, and an initiative announced last November made an additional £11m available to three police authorities for the urban crime fund.

## Forged Dutch guilders seized

Police seized forged Dutch guilders worth £20m in a raid on a house in north-west London, the biggest seizure of counterfeit currency ever recorded. Last night a man was charged.



## The Via Tornabuoni without the via Pisa.

A more cultured way to reach one of Europe's most cultured cities. For a schedule of our Florence service and our direct flights to Barcelona call your travel agent or ring 071 839 2222. ● Meridiana

Your Private Airline



## MANAGEMENT

## Health at work

## Ashes to ashes as smoking bites dust

Diane Summers investigates the trend among employers to free their premises of the dreaded weed

Two weeks into the new year and many aspirin non-smokers are still fighting to kick the weed. Others have given up the struggle - at least until next January.

Quitting smoking at a corporate level requires even more planning and consistency. Companies wanting to introduce a no-smoking policy among their workforces are most likely to succeed if they consult with their employees, rather than just confiscating all the ashtrays one Monday morning. Two events in particular this week have renewed interest among UK employers in the subject of workplace smoking policies.

First, the Health and Safety Executive published a consultation document on Tuesday making clear that employers will have to provide special rest rooms for non-smokers from the end of next year in order to comply with a European directive. The new rules could prompt many employers to ban smoking altogether.

Second, at an industrial tribunal in Glasgow, a nursing auxiliary claimed constructive dismissal over her employer's smoking ban.

Mary Dryden told the tribunal that she could not endure eight hours at work without a cigarette and therefore had to leave her job. When Greater Glasgow Health Board banned smoking on its premises last

summer, it did not provide rooms for smokers, or leave enough time for Dryden to go out for a cigarette during her breaks, the tribunal heard.

The move to no-smoking workplaces has been marked in recent years, with up to one-in-five companies now operating anti-smoking policies. Midland Bank is the latest large employer to announce a ban for its 45,000 staff in nearly 2,000 branches from the spring. Other employers, either with total bans or severe smoking restrictions, include IBM, Marks and Spencer and the Inland Revenue.

This trend is being driven by changes in attitudes to smoking in public places, but also by employers' fears of future liabilities for damage to workers' health through passive smoking.

There has yet to be a claim for damages in a British court arising out of passive smoking, but Ash, the anti-smoking group, said yesterday that it would be seeking counsel's opinion in the next few weeks



Put out that light: smoking bans, commonplace for years on trains and buses, are now moving into the workplace

with the aim of bringing a case under common law, or through the Health and Safety at Work Act. According to David Pollock, Ash director, passive smoking court cases in Australia have led to widespread

workplace smoking bans. Whatever motivates an employer to act - and the pressure is as likely to come from employees as from management - there is a number of pitfalls on the way to imple-

menting a no-smoking policy. According to a survey by Incomes Data Services, the employment research group, most organisations go through the following stages on the way to banning or restricting

smoking: ● Consultation with the workforce - an essential first step in preventing mutiny, or worse, by nicotine addicts. Surveys, ballots, questionnaires, meetings and negotiations with

trade unions or staff associations are all methods of gauging opinion and are likely, says IDS, to show a surprisingly high level of enthusiasm, even from smokers themselves.

British Gas in Wales provides a typical example of what a company might expect from a poll of employees: 84 per cent thought smoking should be banned at work altogether, while 53 per cent were in favour of restrictions.

● Degrees of restriction need to be decided. A total ban on smoking throughout a building is unambiguous but is tough on smokers. Only an ex-addict can appreciate the resentment that a total ban is likely to engender among smokers.

Ash itself argues for the more humane "ban box" solutions, where smoking is allowed only in designated - ideally separately-ventilated - areas. The Financial Times is an example of an employer that has taken this route: its staff bins on each editorial floor are the setting for some unlikely alliances.

● Phasing-in of policies. The gradual introduction of smoking restrictions, or at least a period of warning (Ash recommends a 12-week implementation period) will help to avoid resentment and legal problems, says IDS.

At Cambridge University Press, for example, a smoking ban was brought in over four months, with smoking prohibited first before 10.30am, then before noon, 2pm, 4.30pm and, finally, throughout the day.

● Helping employees to give up the weed. There are considerable cost benefits to employers in having workforces that do not smoke - either at home or at work.

Most companies with no-smoking policies should offer employees help with giving up permanently. For example, the Automobile Association distributes Health Education Authority literature, and South Derbyshire Health Authority gives staff time off for special "stopping smoking" classes. IBM even offers acupuncture and hypnotherapy as well as counselling and classes.

All this is old hat in the US, where no smoking offices are the norm. In most California offices, you would no more think of lighting a cigarette than spitting on the floor. In most of Europe, by contrast, smokers take their rights so seriously that they may not take kindly to efforts by their employers to help them quit.

## Pursuing policies in a very big way

Lucy Kellaway takes the lift to meet Mick Newmarch, the top man at the Pru

What matters most to the man who controls Britain's biggest pile of money? To Mick Newmarch, chief executive of the Prudential, a big leather swivel chair is the best aid to managing the insurance company's £50bn. "Most of my job is thinking, so a comfortable chair is essential," he says.

Indeed, everything about his office, up on the sixth floor above the hi-fi shops of the Tottenham Court Road, is comfortable. It is also big. The panoramic view, stretching over the City is certainly big. So are the two leather sofas and

leather arm chairs. But then, so too is Newmarch. The building is a temporary home while the Pru spends four years and well over £100m making its old headquarters in High Holborn "look quite respectable" - as Newmarch puts it. In the meantime, he has set up his new office by covering the dark wood paneling in fake marble silk to make it feel lighter.

Otherwise there is only a handful of personal touches: he has chosen a sentimental picture of two small girls by Horne, the Scottish painter, out of the Pru's large art collection to hang opposite his desk. "I am an absolute dilettante about art, but I like that one."

On a shelf he has a bronze owl and a sculpture of a rice maiden, given to his wife "in the days when the Japanese still thought giving presents to westerners was the best way to do business". His wife considered it so hideous, she would not have it in the house.

Newmarch - known as "The Bruiser" in Private Eye - has the reputation of being somewhat overbearing. He is well known for striking a tough bargain - last year he managed to secure a pay rise of 43 per cent despite the Pru's falling profits; earlier he persuaded the company to put more than £500,000 towards a smart flat in Regent's Park.



Mick Newmarch: "Most of my job is thinking, so a comfortable chair is essential"

## BUSINESSES FOR SALE

## Radix Executive Offices Ltd.

The Joint Administrative Receivers offer for sale as a going concern, the business and assets of the above company which provides serviced office accommodation in two establishments.

Principal features include:

- Freehold property 7,100 sq ft comprising some 37 offices near Ascut.
- Freehold property 4,600 sq ft comprising some 21 offices at Hampton.
- Business established for 20 years.
- Low turnover of occupants.
- Good facilities including car parking.

For further information contact the Joint Administrative Receiver, Mike Blake, KPMG Peat Marwick, Abbots House, Abbey Street, Reading RG1 3BD. Tel: 0734 505555. Fax: 0734 589285

KPMG Corporate Recovery

## Brympton Park Motor Group Limited

The Joint Administrative Receivers offer for sale the business and assets of the above company. The company operates as a car dealer in Yeovil, Somerset, currently trading under a Toyota franchise.

The principal features comprise:

- Purpose built modern freehold premises, comprising total floor area of approximately 10,000 sq ft.
- Excellent location on the outskirts of Yeovil, Somerset.
- Annual turnover c. £2.5m.
- Modern workshop equipment
- 12 experienced staff.

For further information and sales particulars please contact RW Birchall at Cook Gully, 66 Queen Square, Bristol BS1 4JP. Telephone (0272) 277185. Fax (0272) 307006.

Cook Gully is situated in the name of Company & Liquidator Debitors by the Institute of Chartered Accountants in England and Wales to carry on Investment Business

Cook Gully

## Touche Ross

## Corvette Cruisers Limited

(In Administrative Receivership)

The Joint Administrative Receivers offer for sale the following assets of this Nottingham based boat builder specialising in luxury motor cruisers.

- Moulds for and manufacturing rights etc. to motor cruisers, in particular the "Corvette 32".
- Certain stock and plant items associated with manufacture.

For further details contact John Wilson or Andrew Swann at the address below.

1 Woodborough Road, Nottingham NG1 3FG. Tel: 0602 500511. Fax: 0602 500979. Authorised by the Institute of Chartered Accountants in England and Wales to carry on Investment Business.

## EXCLUSIVE PRODUCT

Reynolds Company offers for sale all assets, rights and goodwill attaching to an award-winning product line well established in the U.K. and benefiting from a broad customer profile and marketing base.

In-place fully sub-contracted production facilities coupled with just-in-time stock order, direct sales and export activities make this an ideally run operation from our location.

Currently producing 200K P.A. in the U.K. with 60% gross margin there is substantial continuous growth potential both at home and via direct export or overseas licensing deals.

Rights to produce International Patent and Trademark Applications, Write Box H9484, Financial Times, One Southwark Bridge, London SE1 9HL.

## DISTRIBUTION OPERATION

A substantial road transport/distribution facility in the North East of England, covering approximately four acres of land.

Purpose built facilities including modern extensive warehousing, with an existing client base. Full workshop facilities. Turnover of approximately £2m per annum.

Principals only, for further information write to Box H9483, Financial Times, One Southwark Bridge, London SE1 9HL.

## HUMAN RESOURCES CONSULTANCY

Human resources group (recruitment, training, consultancy), genuine offshore trading company with offices in European Community, services acquisition. Recently restructured, sound financials, good management, well directed, blue chip clients. Trading profitably but needs to be relieved of historic debt.

Principals only should write to Box H9484, Financial Times, One Southwark Bridge, London SE1 9HL.

## EMPLOYMENT AGENCY

FOR SALE S.W. Herts/High St. post. estab. 10 years - solid blue chip client base - owner retiring - £75,000

Box H9476, Financial Times, One Southwark Bridge, London SE1 9HL.

BUSINESS AND ASSETS OF solvent and profitable company for sale. Business and Assets Tel 071 362 1104 (Mon - Fri)

## NATIONAL TRAINING ORGANISATION

The liquidator of Fulltime Training Ltd offers for sale the business and assets as a going concern, including:

- A national network of 14 training centres and 4 job clubs in fully furnished leasehold premises.
- Training contracts currently in place for 360 trainees.
- Full range of appropriate training facilities and equipment.
- Committed staff of 65.
- Turnover for the 8 months to November 1991 of approx. £1.15m.

For further details please contact David Lawler or Andrew Duncan, Buchler Phillips & Co., 84 Grosvenor Street, London W1X 9DF. Telephone 071-493 2550. Facsimile 071-629 9444.

BUCHLER PHILLIPS & CO.

## BUSINESS FOR SALE

Tuesdays, Saturdays and NOW Fridays

For further information and to advertise in this section please contact

Melanie Miles on 071 873 3308

FINANCIAL TIMES

EUROPE'S BUSINESS NEWS PAPER

## PROFITABLE SERVICE COMPANY

seeks serious purchaser for Director seeking retirement. T/O £200,000 + with potential to increase. Phone/fax The Project Partnership on 081-303 6621.

## ELECTRICAL CONTRACTOR

Business and business assets for sale as going concern. Turnover £110k +, ongoing contracts, leased premises and skilled workforce. Write to Box H9472, Financial Times, One Southwark Bridge, London SE1 9HL.

## FASHION JEWELLERY IMPORTING

Company selling to High Street Stores and Wholesalers. Turnover £350K. 10% net profit. For sale due to family commitments.

Excellent customer base, which continues to grow. Only interested parties able to act quickly need respond.

Replies to Box H9475 Financial Times, One Southwark Bridge, London SE1 9HL.



## THE PROPERTY MARKET

## Small inroads made into debt

By Vanessa Houlder

The property debt mountain is starting to erode. For the second quarter running, total lending to commercial property has fallen by some £500m, according to the Bank of England. At the end of November, outstanding loans totalled £28.67bn, down from £29.1bn three months earlier.

It may be a step in the right direction, but the halting progress underlines the magnitude of the problem. At this rate, the new funds from property sales and capital injections will not, by themselves, let the banks off the hook.

So what is to be done? The problem has taxed the financial profession, which has tried to find ways to go beyond the traditional sources of funds.

One avenue being explored is the US commercial paper market, the largest market for short-term non-government debt in the world.

The UK property industry made its first inroad into this market just before Christmas,

when Rosehaugh Stanhope Developments raised £100m to refinance 135 Bishopsgate, occupied by County NatWest, in the Broadgate office development in the City of London.

The advantage was two-fold. It should save the company as much as 50 basis points or £500,000 a year. And it strengthened its negotiating position with the banks. "The syndicated loan market is very nervous. We wanted to show we had other ways of financing Broadgate," said Mr Paul Rivlin, a director of Rosehaugh.

The snag with the deal stemmed from the complexities of breaking new ground. Sorting out the legal, tax and financial implications took six months.

The deal has a symbolic importance in that it repays the banks which took part in the largest development finance deal of its time. "It gives the banks an element of comfort that their loans can be taken out. There has been concern that there will be a never-

ending process of rolling over loans," says Mr Richard Mulvey of County NatWest which arranged the refinancing with Sanwa International Structured Finance, part of the Japanese bank.

It is not yet clear how far it will be copied. Sceptics may point to another innovative securitisation, which was heralded in 1990 as an important new source of funds but has spawned no imitators. This involved £90m of credit-enhanced floating rate notes that were arranged for BHI, an industrial property company, by the same team of financiers that engineered the BSO deal (who were then at Paribas and are now at Sanwa).

BHI found that the up-front expenses of the issue were higher than expected, although it expects to save money over five years as it takes advantage of falling interest rates. Moreover, its funding has the great virtue that it does not have to do annual valuations and thus risk breaching its covenants.

"It has enabled us to hold our entire portfolio together. The banks would have been more nervous," says Mr Robin Bagall, BHI's finance director. It is unsurprising that no companies have followed BHI's example, according to Mr Gary Wilder of Sanwa. Mar-

gins in the asset-backed floating rate note market have virtually doubled since the deal.

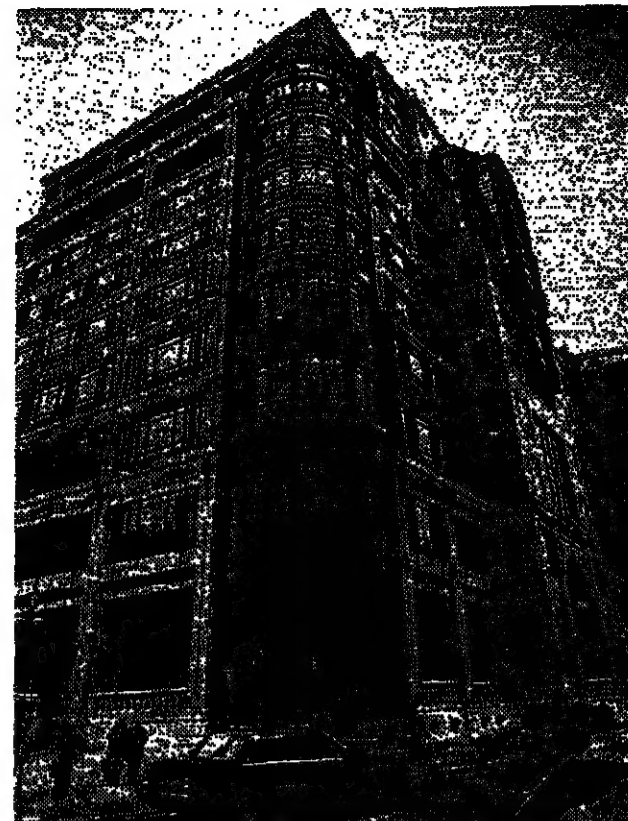
The US commercial paper market is currently a much cheaper option; several companies are considering following BSO down this route.

But the main limitation of securitisation, in whatever market, is that it is only relevant for well-let property (which is often able to take its pick of the bank loan and debenture markets anyway). Moreover, the costs of arranging an issue are too high to be worthwhile for portfolios much under £100m. At most, the US commercial paper market could apply to £25m to £40m of UK property.

So where most of the debt-encumbered industry is concerned, there is no hope that the US commercial paper market will come to its rescue.

Given the finicky appetite of property investors, it is not clear who or what will replace the property loans made to second-rate property with poor tenants. "That is the big conundrum," says Mr Rupert Clarke of Jones Lang Wootton. "If there is a single want on a property it will not be refinanced," says Mr Mike Riley of Chesterton.

In the worst cases, the banks will have to bite the bullet and make write downs, which



County NatWest building at 135 Bishopsgate in the Broadgate complex. The site was refinanced to the tune of £100m

might add up to billions of pounds of loans. Others will have to convert debt to equity, even though this damages their capacity to make further loans. Many lenders will simply be forced to roll over their loans. "The banks are going to be long-term providers of mortgage finance to the property industry," says Mr Mulvey. Much of the debt mountain is here to stay.

## Bottom fishing for the brave

In the US, property values are predicted to bottom out in 1992. That is about the only good news from the Real Estate Research Corporation's recent report *Emerging Trends in Real Estate 1992*.

The report, a 40-page booklet published by Equitable Real Estate Investment Management, is based on interviews with a large panel of property professionals. It warns that "conditions will get worse before they get better".

Property financed a few years ago, and still in the pipeline, is expected to add to the glut this year, particularly in cities such as Los Angeles and Chicago.

Signs of recovery are not expected until 1993 or 1994. Meanwhile, property's continued poor performance will hurt investors, including commercial banks, pension funds, insurance companies, foreigners and wealthy individuals.

Returns, dismal last year, "will remain disappointing," the RERC report says. Values are predicted to drop 10 per cent in 1992. Only apartment-type investments are expected to rise in value in the next two years by an appreciable amount - 6.3 per cent on the forecast. A modest increase in transactions is, however, expected

this year, if only because the principal issue for many investors now is how to exit. Since 1990, transaction volume has been gridlocked, in part because the bid/ask gap was too wide. But pressures on investors have grown and some insurance companies, pension funds, commercial banks and desperate developers may have more reasonably priced offerings.

For those with courage, patience and deep pockets, the RERC suggests it may be a good time to pick up bargains. It believes many of these deals, especially those by wealthy individuals, are more likely to be done quietly than through the open bidding that characterised the 1980s.

The Japanese and Europeans are not expected to want to increase their exposure, though the British and the Dutch, who both have long experience in the market, may go bottom fishing for bargains.

Scandinavia is a bright spot. The report says prudent, gradual investment by institutional capital is likely during the next few years.

\*Available from Equitable Real Estate Management, 787 Seventh Avenue, New York New York, 10019.

Barbara Durr

CAPITAL GROWTH (%)				
Retail	Office	Industrial	All Properties	
Year to Nov '91	-5.0	-15.1	-3.3	-8.8
Quarter to Nov '91	0.2	-3.1	0.6	-1.0
Month to Nov '91	0.4	-0.9	0.1	-0.1

Source: Investment Property Database

## 66 ZURCHERSTRASSE THALWIL • ZÜRICH • SWITZERLAND

# SWISS MADE

A NEW HQ OFFICE BUILDING  
AVAILABLE EARLY 1992 TO LET OR FOR SALE.

DAS NEUE BÜROGEBAUDE STEHT AB ANFANG  
1992 ZUR MIETE BZW. ZUM VERKAUF.

1992 年前半より賃貸又は譲渡可能物件。  
本部の設置に理想的な新オフィス・ビルです。

**St Quintin**  
75 Cavendish Square  
London W1V 6WH  
071-499 8626

**K-M&P**  
KUKNI-MUELLER & PARTNER  
Immobilien-Beratung für Unternehmen, Finanzinstitute und Behörden  
Schweizerstrasse 21, 8001 Zürich Tel. 01/212 07 79, Fax 01/212 07 18

## FOR SALE 108,100 sq.ft. (with short term income) LEA VALLEY Nth. CIRCULAR

WITH PLANNING  
PERMISSION FOR  
OFFICES AND  
BUSINESS UNITS

VIEWING BY APPOINTMENT WITH EITHER  
HERRING SON & DAW 071-734 8155  
CONTACT JONATHAN WILKINSON  
ON THE SKILLION GROUP 081-887 2233  
CONTACT STEVE REEDMAN

FINANCE AVAILABLE

**HERRING  
SON & DAW**  
071-734 8155  
24-25 South Molton Street, London W1K 2DL

OFFICE/STUDIO  
SPACE - LONDON W2.

Part of shared canal-side  
studios in W2 secretary,  
fax, telephone,  
photocopier, PMT  
machine, car parking  
£300 per week -  
for basics.

Contact: 071-262 6643.

**WATERLOO WORK**  
AN ADDRESS OF DISTINCTION  
A UNIQUE 40,000 SQ FT  
OFFICE/RESEARCH COMPLEX  
SERVING ITS OWN LANDSCAPE  
TOTALING 220,000 SQ FT  
WITH EXTENSION LAND  
AVAILABLE FOR LEASE OR PURCHASE

**Phoenix  
Beard**  
071-323 4681  
2 CHANDOS STREET - LONDON W1M 0EN

## FREEHOLD FOR SALE JUDD STREET LONDON WC1

36,373 SQ FT (APPROX.)  
GROSS INTERNAL AREA  
SUITABLE FOR A VARIETY OF USES SUBJECT  
TO PLANNING

**CLUTTONS**  
43 Berkeley Square, London W1X 5DB  
071-408 1010

## £100 MILLION

available for investment in commercial property in London by a  
large plc. Fully let freehold with long-leases preferred. Looking  
for yields over 11%. Can make fast decision. Will also consider  
buying stakes in property company.

Contact Andre Chudnoff, Personal Assistant to Chairman  
Tel: 071 409 0258 Fax: 071 409 7547  
Or write to: "Reference F1"  
43 Lowndes Square  
London SW1X 9HL

## HOW SECURE IS YOUR PENSION FUND...?

For Sale freehold office Investment Stratford, E15  
Let to D&S  
Long Lease/Low Rent  
£9.5m  
9% return rising to 10%+ in 3 years  
Capital Allowances over £2m  
Further details:

**GLENNY**  
Chartered Surveyors & Estate Agents  
Tel: (071) 491 2842  
Fax: (071) 498 1488

**MONTHLY RENTAL**  
Immediately available.  
Latterly furnished self-  
contained double office suite with  
full service. £2,500 per 4 weeks.  
Nightingale Secretariat,  
3 Newbury House, London W1K 2SL  
Tel: 071 629 6116  
Fax: 071 491 4811  
\*minimum rental period 12 weeks

**LONDON INVESTMENT  
PORTFOLIO**  
West End office buildings offering great  
scope of income streams and excellent long  
term development potential.  
RENTAL YIELD @ 9%  
Write to: Box A1731, Financial  
Times, One Southwark Bridge,  
London SE1 8HL.

An office  
you can't refuse.  
You need  
an office, right?  
Furnished and fully  
serviced in Victoria.  
071 931 0660

**BUCKINGHAM  
PALACE RD, SW1**  
Economical period offices to  
let. 300 sq ft - 3500 sq ft.  
CHEAP RENTALS & LOW  
OVERHEADS  
Tel: 071-499 0866  
Ref. MD.

## INTERNATIONAL PROPERTY

# IN THE HEART OF GENEVA

To let  
4700m<sup>2</sup> Prestigious  
Building  
ideal for banking premises

For information:

**GEROFINANCE SA**  
7, rue Robert-de-Traz, Tél. 022/47 55 44 Fax 022/47 61 50  
1205 Geneva

## EUROPEAN PROPERTY SURVEY

The FT proposes to publish this survey on  
Friday 19th March 1992.  
For editorial synopsis and advertising rates please contact  
Wai-Fung Cheung on 071-678 3574 or write to her at:  
Financial Times, One Southwark Bridge,  
London SE1 9HL.

**TAKE A  
CLOSER LOOK**

It will pay you to take a close,  
hard look at the great deal  
that will be happening at  
The Property Business Show.

Explore new ideas and methods of doing  
business and satisfy all your professional  
and commercial interests, from building  
design and construction, to investment and  
finance, letting and efficient management.

For your free tickets, simply send your business card  
to the address below. Or phone Adrian a Broadbent  
on 081 742 2838.

Humbleton Group PLC, Property Business Show,  
FREEPOST, London W4 4BB (no stamp required).  
26th 28th 29th Feb Olympia 2 London

**PROPERTY BUSINESS**

The Property Business Show is part of  
British Property Week 1992

**FOR SALE**

**PRINCESS OF WALES RAF HOSPITAL, Ely**  
Hospital & Administration Blocks  
Occupying 16 Acres approx  
Suitable for Hospital or Similar C2 Use  
Expressions of interest are invited Contact: Nicola Masted

**Hillier  
Parker**  
071 629 7666

By Order of  
THE SECRETARY OF STATE FOR DEFENCE

**BELL-INGRAM**

To Let  
SPORTING RIGHTS  
ABERCAIRNY ESTATE  
CRIEFF • PERTHSHIRE

Spectacular shoot in excess of 6000 acres in  
beautiful but easily accessible countryside.  
Grouse shooting also available

DURN, ISLA ROAD, PERTH. PH. THE  
TEL: 0758 21121. (GRO INGS) 29

**Farringdon Court**  
Farringdon Road, London EC1

From 10,000 - 27,000 sq.ft.  
SELF-CONTAINED GROUND FLOOR OFFICES  
£15.00 P.S.F.

A FIVE STAR BUILDING  
★★★★★  
A FIVE STAR OPPORTUNITY

1-20 YEAR LEASE TERM  
FULLY AIR-CONDITIONED  
TENANTS OPTION TO BREAK AVAILABLE  
CAR PARKING

**White Druce  
& Brown**  
14 Warwick Street, London W1B 5NA  
071-734 4734

Please contact Alan Sheehan or Ian Franklin

**Enterprise Zone  
Investment Opportunities**

**100% Tax Relief -  
Individuals & Companies**  
Gateway Industrial Estate  
Rotherham

Lot sizes from £80,998 to £937,577  
Rental Guarantee for up to 2 Years  
Modern Light Industrial Workshops

ALL ENQUIRIES:  
DAVID RHODES  
WARREN COURT, 41 TOWN STREET, SHEFFIELD  
TEL: (0743) 752393

**100% TAX RELIEF  
FOR INDIVIDUALS AND COMPANIES**

• New Warehouse and Office Units • Premier Enterprise Zones  
including Corby and Team Valley, Tyneside • Guaranteed Rent  
for 3 years • Prices range from £55,000 for individual properties

For further information contact: Chris Barber,  
EZO Property Group PLC, World Trade Centre, London E1 6UN  
Telephone: 071 480 7933

Enterprise Zone Developments EZO  
A Developing Company

**GREENFORD**  
Rowdell Road - Middlesex

**DETACHED WAREHOUSE  
& ANCILLARY OFFICES**

**115,000 SQ.FT.  
LEASE FOR SALE**

► Freehold might be available -  
Capable of Sub-division  
► Adjacent Western Avenue (A40)

**HENRY  
BUTCHER**  
50/51 HIGH HOLBORN, LONDON WC1V 8EG  
071-405 8411

**AYLESBURY - BUCKS**

**NEW PRODUCTION/  
WAREHOUSE PREMISES  
WITH  
ANCILLARY OFFICES**

**27,720 SQ FT  
on 1.67 ACRES  
FOR SALE/TO LET**

► Fully Fitted Production and Office Areas  
► Two 3.2T Demag Overhead Gantry Cranes  
► Extensive 35,000 sq ft secured yard

**HENRY  
BUTCHER**  
50/51 HIGH HOLBORN, LONDON WC1V 8EG  
071-405 8411

**Brown & Merry**  
COMMERCIAL  
Property Consultants & Surveyors  
8 Church Street, Aylesbury, Bucks HP20 2DE  
Telephone (0298) 413588 Fax (0298) 888480

**FLEET STREET EC4**

EXCELLENT OFFICES  
WITH CAR PARKING  
5790 SQ. FT. APPROX  
ASSIGNMENT OF LEASE

**SUBSTANTIAL  
INCENTIVES  
AVAILABLE**

**LEWIS &  
TUCKER**  
10 Abchurch Lane, London EC4N 3DF  
071-629 5101







## TECHNOLOGY

## FDA sets record on approvals

The time taken for new drugs to be approved in the US is falling quickly, according to the Food and Drug Administration (FDA), the government agency which controls what goes on sale in the \$80bn (\$33.5bn) a year US drugs market.

It is also pushing through 43 per cent more products: 327 in 1991, compared with 229 in 1980. Among these was a greater number of new molecular entities (NMEs) - drugs with distinctly different structures from those already on the market - than ever before.

The FDA has been under pressure for some years over the time taken to approve drugs. The Waxman-Hatch act of 1984, for example, cut the time for approval of generic (non-patent) drugs. The drug industry lobby has since stepped up the pressure on the FDA for early approval.

In 1991, the average time taken for the top 30 new drugs, the NMEs, to be given the green light was 22.1 months, a 9 per cent improvement on 1990. The top 30 includes Glaxo's Zofran, used for treating nausea in cancer chemotherapy patients. Only 23 NMEs were approved in 1990. For the five most important drugs, those identified as providing the greatest therapeutic improvement over existing treatment, the time was 11.4 months, about half the level two years ago.

These included Vider, Bristol Myers Squibb's AIDS treatment. It was approved in six months, falling to beat the three-month record set in 1987 by the only other approved AIDS drug, Retrovir, made by UK company Wellcome.

The AIDS lobby has been at the forefront of pressure on the FDA to speed up the approvals process. Some 194 drugs were not given approval, either as outright rejections or withdrawn by the makers.

If the FDA's performance is improving, then its figures indicate the drug makers are standing still. It took an average of 7.5 years for one of the top 30 drugs to go from the first clinical trials to approval in 1991. In 1990, the figure was 7.9 years and in 1989, 7.4 years.

Daniel Green

Christina Lamb describes plans to put satellite images of the Brazilian rainforest on computer

## Operation Amazon



cessed to generate photos. Landsat captures light reflected from the earth's surface, producing an image on a scale of 1:250,000 in varying tones of grey. The photographs are given artificial colours - green for forest, darkening according to the density, pink for barren areas, grey for smoke from burnings and blue for rivers and dams.

The best 229 photos in terms of clarity of those produced each year are selected, each covering 185 sq km. Examination of these photographs was used in 1989, 1990 and 1991 to calculate the yearly rate of deforestation. But, says Serra:

"We realised this was an enormous amount of work just to get one number - so we decided to analyse the photos so that we can say when, where and how an area was deforested."

To do this INPE has developed its own geographic information system. According to Serra: "It is not very complicated - really just a matter of common language on what is deforestation - there is a lot of area in the Amazon which is neither rainforest nor deforestation."

Now when the satellite photographs are taken to INPE headquarters at Sao Jose dos Campos to be interpreted, the images are colour coded to represent

recent deforestation of different years. The resulting maps are fed into the computer and can then be used not only to evaluate more accurately the rate of deforestation but also to study its effect on carbon and hydro-cycles. Some 334 maps will be created to cover the whole area.

"Rather than simply having photos in archives, we can call up any area on computer from which we can make 1,000 observations," Serra explains. "I can pick a piece of land near Manaus and say that it suffered X amount of deforestation in 1988 because of this, nothing in 1989 and Y amount in 1990 because of something else. I can see what was deforested for agriculture, for hydroelectric dams, for garimpeiros (informal mining) or simply disappeared, each of which has a different impact on the greenhouse effect."

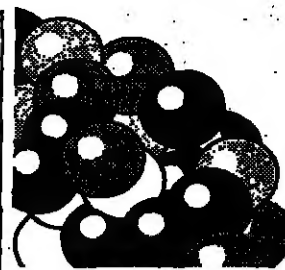
Other uses for the computerised maps include looking at areas inhabited by Yanomami Indians and other indigenous tribes to see where their settlements are and to follow their movements and discover where there have been encroachments by garimpeiros or even cocaine smugglers building illegal airstrips. The maps will be used for the zoning of the 8.4m hectares recently declared a national park for the Yanomami.

Serra says the maps will also enable the study of the dynamics of forest nutrients, in terms of soil, gases and the water-board. It will look at how deforestation has affected drainage and where streams have dried up because of silt produced by mining or reduction of forest protection.

They should also and ambiguities in, for example, how much of the forest has been destroyed and the efficacy of Brazilian government attempts to outlaw burnings. The government environment agency claims that burnings were down last year on the 14,000 sq km deforested in 1989-90, but ecologists say they are back at 1988-89 levels of 23,500 sq km.

The INPE team does not underestimate the importance of the project. "Not only are we creating the first ever Amazonian database which can be used by the whole world but we may also resolve some long-running debates in Brazil's favour," Serra claims.

With a shy smile, he adds: "Imagine the enormous effect if we could show through this that Amazon burning has much less impact on the carbon cycle and thus climate change than burning fossil fuels or running cars."

WORTH WATCHING  
Della Bradshaw

## Notebooks for heavyweights

NEW portable and notebook PCs continue to roll off the production lines packing even more power into the classic shell box, writes Paul Taylor.

Now Toshiba has added to the top end of its range with the T6400DX and T6400SX models built around Intel's 80486DX and 80486SX chips. The machines are aimed at engineers and scientists who need heavyweight computing power.

The mains-powered portables, with thin film technology colour or monochrome gas-plasma screens, boast 16-bit card expansion slots, memory expansion up to 20MB using credit card-sized memory cards and full-sized 102-key detachable keyboards.

Toshiba has also introduced the mid-range T3500SL notebook driven by a power-saving 25MHz Intel 80386SL chip and using nickel hydride batteries which offer a third more power than their nickel cadmium equivalents. An internal modem which can be plugged into a cellular telephone is also available.

## Small potatoes hit the big time

THE problem for the horticulturist who has developed a new breed of potato is that it can take years to breed enough of the vegetables to get them into the shops. But a technique developed by scientists at the University of Wisconsin, and licensed by Small Potatoes, of Madison, could speed up the process.

Developers of the microtuber multiplication of potatoes process, which is also being commercialised by Rayyan Nederland, of Aalsmeer, Holland, believe the process can produce 30 tubers from a single parent "seed" - about 20 times the rate of today's methods. This is done through the interplay of light, temperature, the growing medium and gravity in proprietary bioreactors.

The system requires only a low-cost growth environment - the only human intervention is in inserting the original microtuber and harvesting the result.

## Cellular phones raise the stakes

EUROPE'S Eurolab (27bn) market for mobile communications is set to more than double in size by the year 2001, according to the latest report from CIT Research, of London.

According to the survey, Mobile Communication in Western Europe 1992, the number of cellular radio subscribers in Europe by the year 2001 will be three times what they are today, and stand at around 13.5m. And 92 per cent of all cellular phones will be digital, with the UK having 1.4m digital cell-phones, Germany 1.35m and France 1.2m.

The use of paging should increase by 80 per cent over the same period predicts CIT, so that by 2001 there will be 4.2m pagers in use in Europe.

## Multimedia finds way to the bank

HUNTINGTON Bank, of Columbus, Ohio, is setting up a combined video-conferencing and interactive service, enabling bank customers to have instant personal assistance at point-of-sale multimedia terminals, writes David Birchard.

Huntington is using NCR 5582 self-service multimedia terminals, using technology developed by AT&T's Bell Laboratories, to enable a standard telephone cable to transmit both voice and video signals between the bank's personnel and customers.

The terminal allows customers to review accounts, obtain up-to-date information on bank products and rates, and perform other functions previously done by staff.

## Untouchables on the virus trail

COMPUTER viruses are never far from the headlines, but as new ones are identified and confounded, more perni-

cious ones are already worming their way into corporate PCs.

To thwart the virus creator, Fifth Generation Systems, of Baton Rouge, Louisiana, has developed a piece of software which enables the PC user to stay one step ahead of viruses, rather than running one game behind.

When the Untouchable anti-virus software is loaded on to the PC it identifies and eradicates any existing viruses. Then the software copies a signature of all the files that are held on the PC. If a new virus enters the system - even those that have not previously been identified - the characteristics of this signature will change in a number of ways. This will enable Untouchable to identify the presence of a virus before it can do any damage. The software can be used with any PC running under the Dos operating system.

## Hole in one for golf design

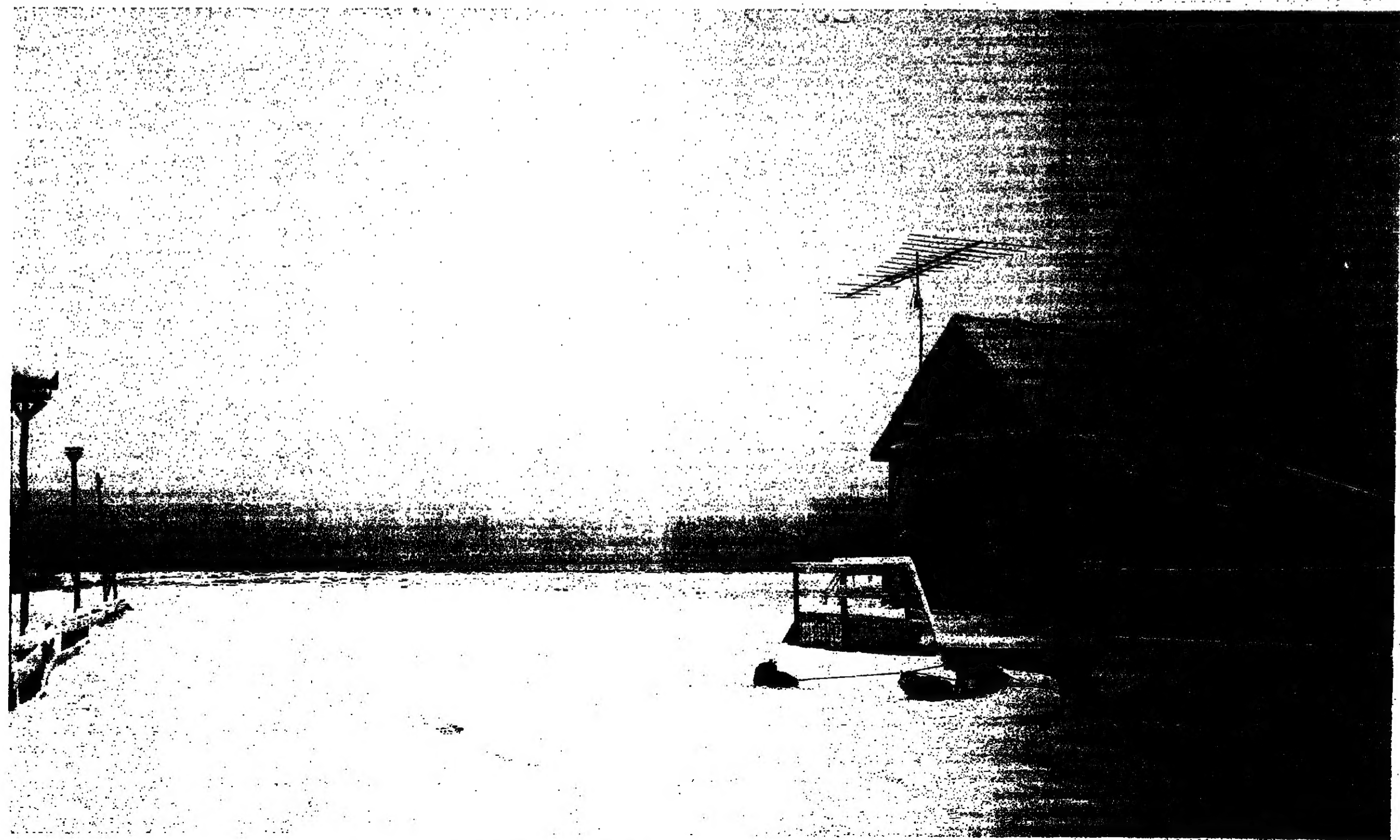
THE golf club industry may not seem to be the most obvious market for computer-aided design systems, but at Dunlop-Suzuki, in Northampton, West Yorkshire, a Cad system from SSI/Con Graphics has enabled golf club designers to design a whole range of high-performance clubs.

The design of a golf club is intricate - change one element of the club and it is likely to have an unexpected impact on other parts. As a result the design of clubs has been time-consuming.

With the Synargy range, however, computer technology enabled the company to develop one club in the range on the screen and then generate the rest in the set automatically.

The 3D graphics enable the designers to visualise the club and rotate it on screen, analysing its performance. In particular, it has enabled the company to move the centre of gravity in the clubs as required, and to accurately calculate and position the "cavity back" or hollow which appears in each club.

Contact: Toshiba Japan, 03 2407 0071; UK, 0232 241000. Small Potatoes: UK, 085 266 0044. Rayyan Nederland, 0207 2257 2257. CIT UK, 071 465 5247. NCR UK, 071 725 0347. Fifth Generation Systems: 035 566 201 7221; UK, 0464 642224. Dunlop-Suzuki: UK, 0254 555555. SSI/Con Graphics: UK, 0754 508222.



VISA MAKES THE WORLD GO ROUND.



Visa is accepted for more transactions worldwide than any other card.



## ARTS

## One Over the Eight

STEPHEN JOSEPH THEATRE, SCARBOROUGH

It might be surreal, but watching eight men in a boat, in a theatre, for most of two hours, can be a very funny experience indeed. Peter Robert Scott's *One Over the Eight*, directed by Alan Ayckbourn at the Stephen Joseph Theatre, Scarborough, proves to be exactly that: a lightweight, uplifting play about competitive rowing, energetically performed and crammed with knowing jokes.

The plot, unashamedly, is even shallower than the river Cherwell: a provincial university rowing club challenges the Oxford third boat, and then tries to live up to its bravado. At the outset, the rowers bear out the truth that only the mediocre are always at their best. They row according to chaos theory: one slip and the whole crew disintegrates.

Their cox has abandoned them, and they are amazed the replacement is a woman. Their macho-slobbish instincts subside as she kicks them into shape. En route, there are arguments and intrigues, but the action makes directly for the finishing line.

Movies thrive on this type of situation: a team of hopefuls come to believe in themselves and each other. Scott's play resembles the training scenes from *Stepping Out* or *2nd Street*, only here the characters find themselves through rowing, not dancing: the donkey finds faith, and the badly humiliated, the lady loses a few pounds, and the smoker his habit. The play's serious concerns are lightly touched: it looks wittily at the relation between cox and crew, between

beefcake and brains; and wryly at the palpable values of loyalty and trust which remain after the high-octane testosterone has evaporated.

Scott dispenses platitudes like liniment to smooth things along and give everyone a warm glow; they come mostly from Saskia Wickham's excellent cox and John Robinson's all-American college jock. They are balanced by a surly dissenter, played with tact and judgment by Jonathan Cake. Throughout, the rowing pats holds water: Wickham is native in its bow-side, stroke, half-pressure, feathering, catching, cranks.

As director here, Ayckbourn refines himself out of existence; his actors move around the boathouse

set so naturally, interrupt each other so surely and squabble so realistically that they hardly seem to be acting. The setting - in the round - helps the cast of nine (crew plus cox) to generate a winning energy and exuberance; this keeps the action going long after the plot runs out of breath, and it is helped by John Pattison's efficient mood music.

The crew of this unnamed university eventually loses to Oxford's third boat by fourteen lengths; but they should feel confident when their show visits the Oxford Playhouse next month (February 3-6; and Brighton Theatre Royal, February 10-15).

Andrew St George

## Spread a Little Happiness

KING'S HEAD THEATRE, N.1

Sweet, funny and occasionally surprising, this show does just what its title purports, and then some. Thanks to Sting, you've heard the song "Spread a Little Happiness" a hundred times, of course. It's a honey. But you may well have forgotten, or not have known, that its tune was written for *Mr. Cinders* by Virgil Ellis, whose career in the London musical theatre began in the glorious 1920s and continued till well after the Second World War. He is still very much alive, and made a graceful speech on Tuesday's opening night.

*Spread a Little Happiness* honours Ellis by showing, in more than 30 songs, how much good work he has written. The pleasures it gives are largely mixed with surprise: the "So he wrote this" surprise on the one hand, and the "Why haven't I heard that before?" on the other. This celebration was devised by Sheridan Morley, who narrates with just the right combination of information and humanity. It is deftly directed (by Dan Crawford), stylishly choreographed (by David Tuguri) and handsomely performed by six singers.

Ellis began under the aegis of Jerome Kern and grew in the great age of C.B. Cochran's revues. One of the songs here, "Wind in the Willows" - was originally staged in 1930 by the greatest choreographer of the century, George Balanchine, and another - *Dancing with a Ghost* from the 1934 *Jill Daring* - was arranged by the greatest British choreographer, Frederick Ashton. Sometimes he himself wrote the words for his own songs, but he worked with other fine lyricists, including - for the post-war musicals *The Water Gipsies*, *Bless the Bride* and more - A.P. Herbert.

In fact, it is the lyrics that are the



Rachel Robertson, Frank Thornton and Fiona Sinnott

greatest factor of this evening's success. Sometimes they are cleverly witty, like "On the Amazon" with its list of the "philosophies," "Isosceles" and "hypodermics" that make the Amazon so dangerous. Sometimes they're just jolly skits: "I'm Horra," "I'm Hengist," "We're coarser than Genghis," "I'm Hengist," "I'm Horra," "We're mentioned in Chaucer." Sometimes they're charmingly satirical, as in "A Small Abode off the Finchley Road," the plaint of the lady who, from her married exile in Eaton Square, pines for her native Cricklewood.

Ellis does not emerge from this as a great melodist, and yet he seems a light year away from the decadence of the lyricist shows of the Southem school. Ellis's songs are all so shapely, singable, grateful in their vocal lines, and

they beam with freshness and innocence. They are sophisticated without cynicism. (To my ear, however, his style loses its contemporary spirit in the last show represented here, *Bless the Bride*, which reverts to an operetta prettiness that I find resistible - even though "This is my Lovely Day" was the evening's finest melodic line.)

The cast catches all the charm and tone of these songs. The two most experienced performers are Frank Thornton and Thelma Ruby; their timing and manner are perfect. Ray C Davis is the most skilful dancer present, throwing a neat double air turn and landing the moult before he starts to sing. Maurice Clark sings the tenor solo most ably, but his style is more pinched and nasal than suits these tunes. I think that music like Ellis's can teach singers

how to use their voices freely, without squeezing or faltering.

As you can hear with Rachel Robertson, who is the evening's best discovery. Picture-perfect in a rather Olivia Newton-John way, she is 19 years old but already able to phrase and point a song with skill. Her voice opens out in the bigger lines (though at moments it is slightly too breathy), and she can make much out of not a lot: e.g. "Me and My Dog." "I've got a dog. Me and my dog - Are lost in the fog. Can't any kind gentleman show me the way home?" For me the great event of *Spread a Little Happiness* is the way she weights those rhymes and repetitions - plaintive, winsome and yet deadly.

Alastair Macaulay

The Hanging Rocks of the Hesselberg, 1801, by Johann Georg von Dillis

## Dillis: an unexpected talent

Susan Moore visits Munich in an attempt to solve the puzzle of a polyglot early 19th century artist

One of the great revelations of the last 50 years is the extent to which the revolutionary visions of Constable and Monet were foreshadowed in the oil sketches of the late 18th and early 19th centuries. The oil sketches made in Rome in the 1780s by Pierre-Henri de Valenciennes were rediscovered in 1980, and contemporaneous sketches executed in Rome and Naples by the Welsh artist Thomas Jones turned up in the saleroom in 1984, and were exhibited in 1990. Their immediacy, swiftness of execution and sensitivity to atmospheric effects confounded audiences who regarded Valenciennes as a reactionary neo-classical landscape painter, and Jones as a dull pupil of Richard Wilson.

As interpreted as the Valenciennes and Jones sketchbooks were the cache of drawings and oil sketches exhibited in Munich for the first time in 1988. They were by Johann Georg von Dillis, an amateur artist more widely remembered as the keeper of the royal collections for the Crown Prince, later King Ludwig I of Bavaria, and the first director of Munich's Alte Pinakothek. As an artist he was something of a conundrum. His landscapes were quite unlike any other painted in Germany in the late 18th and early 19th centuries.

A new exhibition at the Neue Pinakothek in Munich, organised to mark the 150th anniversary of his death, attempts to solve the Dillis puzzle. The artist is placed firmly in an European context, and he emerges as an intriguing Germany progeny of the parallel traditions of English and French naturalism.

To understand Dillis it is essential to know something

of his extraordinary career. He was priest (briefly), painter, cleric, and connoisseur, gifted linguist and bureaucrat. In 1784 he came into contact with the remarkable Anglo-philic American Sir Benjamin Thompson, later Graf von Rumford, an economic and social reformer and philanthropist in the employ of Karl Theodor of Bavaria. Rumford introduced to Munich the notion of Picturesque gardening in the form of the English garden, and Dillis to the art of the English watercolour.

He promoted Dillis's official career and his travels abroad, recommending him as a travelling companion to English Grand Tourists.

Most notable among them was Viscount Palmerston whose son, the future Prime Minister, Dillis drew in 1794. Thomas Jones described the form as a "gentleman of taste", and it is quite plausible that he acquainted Dillis with the work of Wright of Derby, William Pars and the other watercolourists who had made the journey to Rome in the 1770s.

Dillis was to travel extensively in Germany, Switzerland, Austria and Italy. In Rome and Naples in 1805 he met Angelica Kauffmann, Gavin Hamilton, Sir William Hamilton and Turner's American pupil Washington Allston. From the first, certainly, his work shows an English bent. There is a specificity of place and time and light that is absent in contemporary German art.

An atmospheric townscape by moonlight in grey wash could almost be by J.M.W. Turner, his manner of drawing foliage akin to that of Thomas Hearne. His high-key "Et in Arcadia Ego", set perhaps the English

then Garten, is complete with classical temple, grazing cattle and figures under a tree: Munich through the eyes of Claude.

It is possible to walk around the show seeing a variety of masters guiding the hand of Dillis. Such is his experimentation that his technique changes from exhibit to exhibit. With a few notable exceptions, the less finished and formal watercolours and oils are by far the more pleasing.

If Dillis's somewhat old-fashioned drawings are indebted to the English watercolourists, his oil sketches - in Italy and at home - owe more to the predominantly French community of artists working in Rome and Naples at the turn of the century. Tree studies and rocky outcrops abound. He paints broad hoary vistas, and light catching the tumbling

forth of waterfalls, as did his friend the Belgian Simon Denis, and Bidauld, Michallon and Corot. Particularly close in spirit as well as technique to Valenciennes are the three large and impressive panoramas of Rome painted in his early morning light from a vantage point at the Villa Malet.

Dillis is not the South German Friedrich as suggested, or even a Bavarian Corot. He is, nonetheless, a fascinating witness to the flourishing exchange of ideas in Europe at the turn of the 19th century.

Dillis's landscapes and townscapes, plus a separate exhibition of Dillis studies of Bavarian folk costume, continues at the Neue Pinakothek in Munich until February 9. It can be seen at the Albertinum in Dresden, March 1-May 3.

## London International Mime Festival

The London Mime Festival is

upon us again, provoking the usual groans among fogies old and young about their least favourite theatre word and the usual flourish of spirited defiance. Let us call a halt for the time being on ancient prejudices and try to trace some sort of common denominator for the 30 or so ensembles currently giving their all in the capital. Tricky. Many of them are language-reached in redefining themselves to take on board European developments in visual and physical theatre. Many of these companies would happily appear at festivals elsewhere in the continent as part of a mainstream theatre programme.

The UK has not got that far yet, although the subsidised companies are just beginning to take advantage of their expertise. (Linda Kerr Scott,

who gives her solo show *Ase Maria* at the festival this week, has appeared as Lear's Fool for the RSC; Théâtre de Complicité, of which she is a member, gave its version of Dürrenmatt's *The Visit* at the Royal National Theatre.)

So we are left with a largely Euro-centric community of performers whose passport to credibility often seems to be to have Jacques LeCocq, the director of the French mime school, as a mentor. (see how the name of the French mime maestro glimmers in the programmes of Théâtre de Complicité.) I couldn't say if this applies to the personnel of Talking Pictures, which presents two

Battersea Arts Centre, because the festival's efficiency did not extend to programmes. This UK-founded company, classed with the international brigade because it uses performers from a variety of countries,

displays a typical patchwork of influences and intentions. The director of its first show, the aptly titled *Europeans*, is Stephen LeCocq, the director designate of the Royal Court whose championship of European plays has done so much for the Gate Theatre over the last couple of years.

Billed as "a fast-forward comedy of European manners", the piece is a slickly performed, homily about the dangers of withholding help from the newly democratised nations of the Eastern bloc. Arriving in Strasbourg for the "conferenza", three tatty delegates from an unnamed Slavonic country gawp their way into audiences with the image-obsessed French, the chaotic Italians and the poker-stiff English via the only common language language they can find: text-book Latin. As their case is heard and

rejected, the lights go down, the conference table splinters into three and they trundle round the stage in tanks, while a corrupted version of the Internationale signals the ascendancy of a new nationalism and fascism.

As far as it goes, it is well done. The performances, by Jon Potter, Clarissa Malheros and the superb Dominique Brankovich, dig deep into the lunacy of Euro-politics. But they are prevented by their chosen format from moving beyond national stereotypes into any more complex or profound reflection of realpolitik. A battery of skills is wastefully employed to ram home a single message. This is a mime teetering on the edge of textual theatre, which reveals the danger of using words without a script.

Claire Armitstead

## INTERNATIONAL ARTS PREVIEW &amp; EXHIBITIONS

The BBC, in conjunction with London's Barbican Centre, has organised a mini-festival this weekend focusing on the music of Alban Berg. Tonight's programme of songs and chamber music is introduced by the BBC's music supervisor John Drummond and features the Nash Ensemble conducted by Andrew Davis, with soloists including the soprano Arlette Auger and clarinetist Anthony Pay. Tomorrow evening, Davis conducts the BBC Symphony Orchestra in the Alban Berg Lieders (soloist Yvonne Kenny), the Violin Concerto (soloist Uri Rosenthal), Three Fragments from Wozzeck and the Three Pieces for Orchestra Op. 8. On Sunday afternoon, the Lindy Stirling Quartet plays the Third Quartet and Peter Donohoe plays the Piano Sonata Op. 1. In the last concert on Sunday evening, Davis conducts a programme including the Lulu Suite and Three Pieces from the Lulu Suite. One of the aims of this Berg weekend is to show how the composer of the Seven Early Songs and Wozzeck followed a

consistent line of development, with antecedents in Schubert and Mahler (071-638 8891). The Nash Ensemble also plays a prominent part in two concerts at St John's Smith Square in London early next month (Feb 6 and 12) devoted to the chamber music of Russian composers.

Along with works by Tchaikovsky, Rimsky-Korsakov and Prokofiev, there will be two world premieres by leading contemporary composers: Edward Tchaikovsky's Ode to the Blue, clarinet and string quartet and Elena Firsova's Ode to the Seven Players (071-222 1061). One other London event worth noting this month is the new production of Humperdinck's rarely-performed opera Königskinder (1910), opening at the Coliseum on Jan 30 (five performances till Feb 28). (071-240 5288).

The first Benelux performance of Tippett's opera King Priam (1991) takes place on Jan 26 when the Flanders Opera in Antwerp stages Opera North's production. It is directed and designed by Tom Calma, and conducted by Elger Howarth. There are further performances on Jan 29 and 30, and Feb 1 (233 8893).

## EXHIBITIONS GUIDE

**AMSTERDAM** Van Gogh Museum: Edouard Vuillard (1868-1940): the French artist's interior paintings featuring mainly his own family and friends. Ends March 8. Also Edgar Degas: 73 bronzes cast from a large number of wax and clay models found after the artist's death. Ends Feb 23. Closed Mon

Rijksmuseum Rembrandt: a major exhibition bringing together paintings from museums in Berlin, Amsterdam and London, and capitalising on the latest developments in Rembrandt research and attribution. Ends March 1. Closed Mon

**BERLIN** Martin-Gropius-Bau: The Jewish World: Jewish lifestyle and history as reflected in different political, social and cultural circumstances around the globe, and exploring the Jewish identity in thought, art and religion. Ends April 26. Daily

**ALLES** Museum Martin Schongauer: an extensive exhibition marking the 500th anniversary of the death of the first great engraver of German art. Ends Feb 18. Closed Mon and Tues

**CHICAGO** Art Institute: Grave Goods from Ancient Cultures: 40 objects illustrating the burial customs of ancient civilisations, including Egypt, China, Greece and Iran. Also Korean Ceramics: 114 pieces from the Alaska Collection, a superb selection of ceramics from the Koryo and Choson Dynasties (8th to 19th centuries A.D.). Ends Feb 2. Also Chicago on the Streets: three Chicago

photographers take part in this specially-commissioned exhibition examining the problems of the homeless. Ends April 5. Daily

**FLORENCE** Palazzo Pitti: Caravaggio: an exhibition marking the centenary of the birth of the distinguished Italian critic Roberto Longhi, who spearheaded the current vogue for the Baroque master. Among the 19 oils on display are several

"double versions" of the same picture, such as The Boy Bitten by a Lizard - one belonging to the Longhi Foundation in Florence and the other from the National Gallery in London, both of certain attribution; and the fine Card Players, lent by the Kimbell Art Museum at Fort Worth. Ends March 15. Closed Mon

**Palazzo Strozzi** Gustav Klimt: The artist's work is shown in the over-reproduced but decorative and inventive female portraits for which Klimt is best known, but examples of his pastels, drawings, theatre sets - and a replica of the Beethoven frieze painted for an exhibition of the Secessionist movement in Vienna in 1902. Ends March 8

**LONDON** Royal Academy of Arts: Andrea Mantegna (c1431-1506): an exhibition of 150 paintings, drawings and engravings by one of the greatest artists of the early Italian Renaissance, tracing the development of his innovative genius. The subjects range from portraits to those with mythological and religious themes, and include Mantegna's Adoration of the Magi on loan from the Getty Museum and the celebrated series of nine canvases of The Triumphs of Caesar. Ends April 5 (Tickets can be booked in advance from the Royal Academy tel 071-287 9579). Also Katsushika Hokusai (1760-1848): sketches, paintings and 150 printed works by the most celebrated Japanese artist in the West. Ends Feb 9. Daily

**Accademia Italiana** Alberto Savinio: 60 paintings and drawings from 1925 to 1932 by the multi-talented Italian Surrealist,

who was the brother of Giorgio de Chirico and contemporary of Picasso, Carrà and Morandi. Ends Feb 23. Closed Mon (24 Rutland Gate SW7)

**Bath** Bath: Yefim Ladizinsky (1911-82): the first exhibition in Britain of an artist who documented life in the Black Sea port of Odessa, depicting the frozen streets of winter, the hustle and bustle of town life and the everyday events in Odessa's large Jewish community. Ends Feb 11. Daily

**Goethe Institute** Gerhard Richter: works on paper 1968-1990 by one of Germany's most eminent living artists. Ends Feb 8. Closed Sun (50 Princes Gate, Exhibition Road SW7)

**Serpentine Gallery** Leonora Carrington: retrospective of the British surrealist, who was a colleague of Ernst and friend of Edward James. Ends Jan 26. Daily (Kensington Gdns W2)

**Tate Gallery** Anthony Caro: major retrospective of the leading British abstract sculptor. Also Turner's Rivers of Europe. Ends Jan 26. Daily

**Victoria and Albert Museum** The Art of Death: objects illustrating the response to death from the 18th to 19th centuries, when people acknowledged their own mortality more openly than today. Ends March 22. Daily

**National Gallery** Paula Rego: preparatory studies and finished paintings by the museum's first associate artist. Ends March 1. Daily

**MUNICH** Neue Pinakothek: Johann Georg von Dillis (1758-1841): Landscapes and Portraiture. The exhibition,

marking the 150th anniversary of the death of the museum's first director, encapsulates the important role occupied by Dillis in the Bavarian Romantic painting, but in German art as a whole.

His knowledge of Turner's innovations and personal acquaintance with Girtin and Valenciennes influenced his own work, and he brought natural lighting and modern-seeming compositional approaches. Ends Feb 9. Closed Mon

**Centre Pompidou** Max Ernst: 250 works showing the great Surrealist painter revealing in the subconscious. Ends Jan 27. Closed Tues

**Museo d'Arte Moderna** Alberto Giacometti (1901-66): an exhibition illustrating the Swiss sculptor and painter's despairing search for an adequate representation of the human figure. Ends March 15. Closed Mon (11 ave President Wilson)

**Palazzo Ruspoli** Canova: sculptures and the Farsetti Collection from the Hermitage in St Petersburg. Almost as fascinating as the eleven glistening marble works by Antonio Canova (including the charming Cupid and Psyche and the first version of The Three Graces) is the collection of terracotta maquettes by masters

such as Gian Lorenzo Bernini and Algardi, which had belonged to the Venetian abbot Filippo Farsetti and were sold by him to Tsar Alexander I. Ends Feb 28. Daily

**Albertina** Alois Riedl (b1935): an exhibition of realistic and abstract drawings in which the Austrian artist explores the relationship between people and furniture. Ends March 1. Also Hilma af Klint (1882-1944): more than 70 paintings by the Swedish abstract artist giving insight into religious and philosophical movements at the turn of the century. Ends Feb 2. Daily

**WASHINGTON** Corcoran Gallery of Art: Uncertain Grace: Photographs by Sebastião Salgado. Over 100 images focusing on oppression and poverty around the world, capturing the daily hardships of life from famine victims in Africa to the Latin American peasant. Ends March 22. Closed Mon (500 17th St, N.W.)

**National Museum of American Art** Gene Davis: nine works illustrating different stages in the career of an artist who relies on improvisation, spontaneity and colour. Also recently acquired prints and drawings by more than 80 artists, including Willem de Kooning, Susan Rothberg and Terry Winters. Ends March 1. Daily

**National Gallery of Art Walker Evans**: photographs documenting American life during the Depression. Ends March 1. Daily

**Museum Rietveld** Art of the Yorubas: sculptures from western Nigeria. Ends March 8. Closed Mon (Glabierstrasse 15).



## FINANCIAL TIMES

NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL  
Telephone: 071-873 3000 Telex: 522186 Fax: 071-407 5700

Friday January 17 1992

## A Gulf war balance sheet

ONE YEAR ago today, a great international military force, led by the US, with substantial British and Arab participation and acting under the mandate of the United Nations, went to war to free Kuwait from its occupation by Iraq. Forty days later, its mission was complete. The venture was judged worthwhile then and hindsight has not altered the judgment. But not all its consequences were foreseen or calculated, which is often the case with victory. An audit is therefore in order.

The legitimate government of Kuwait was restored and the country is in the throes of reconstruction. It has, however, not been transformed into a democratic model for the Gulf, although parliamentary elections are planned for later this year. Nor have similar fond hopes for structural changes in Saudi Arabia materialised, although it may have a constitutional council soon.

However, Saudi Arabia has reasserted its hegemony over Opec. With one third of all output, it dictates production and pricing policies. This is satisfactory to the US and the leading western oil-consuming countries. Bearing the unpredictable security of supply and stability of prices will remain the goals for the 1990s. The secondary war objective of securing Gulf oil supplies has thus been achieved.

On the broader international economic front it is clear that the war was little more than a blip on any graph, contrary to the fears of a year ago. The global economy remains vulnerable to disruption and inflation in raw material supplies, above all oil, but its essential problems are much more related to public and private indebtedness, labour market rigidities and trade obstruction. In the US and Britain, it was shown that guns do not put butter on the table.

In the Middle East, it is a sad fact that Saddam Hussein still rules Iraq. This alone has brought great grief to its citizens, especially Kurds and Shiites. Now, when it seems to be getting it worse there - but it would be wrong to seek to overthrow him purely for reasons of vengeance or political gain. It remains preferable that the Iraqis do it themselves - and be rewarded by an end to commercial and diplomatic ostracism - than have the US implement its plan to remove him by even covert force.

## Labour wobbles on tax

LABOUR's plans to eliminate the anomalies created by the interaction of national insurance contributions with income tax are commendable. An employee on £20,000 a year faces a marginal tax rate of 34 per cent (income tax plus NI contributions), whereas a rise above £20,280, the ceiling for employees' NI contributions, the marginal rate drops to 25 per cent. This is anomalous, and reform long overdue.

But eliminating the NI ceiling would impose losses on taxpayers which would be politically difficult to digest at one sitting. For an employee on £25,000 a year, the cost would be £425; at £30,000 a year, the cost would be £575. And even at much higher incomes, the loss created by lifting the NI ceiling would be greater than that imposed by Labour's plans for income tax.

About 3.5m voters would face tax increases of poll tax dimensions (the additional higher rate band, by contrast, would probably threaten fewer than 1m). Anyone on more than the average full-time male non-manual earnings - 14 per cent of taxpayers - would pay more. The effect would be even greater in the south-east: a draft IFS report suggests that a third of households would pay more NI contributions.

**Political implications**

The political implications of such a tax increase are clear. And the Conservatives have launched a ferocious - if somewhat mendacious - assault on Labour's plans to ensure that anyone who applies to "reclaim" income should feel threatened. When an opinion poll published on Wednesday put the Conserva-

former Soviet weapons and nuclear expertise. Indeed, all the fine words about controlling the arms trade and promoting regional security have to date produced little. The only clear gain is the recognition in Iraq, a beneficiary of the war, that the US is more than "the great Satan".

The western political fall out has been unpredictable. Both George Bush and John Major have found war's benefits ephemeral, demonstrating that, in election years, their respective publics tend to respond to more prosaic domestic issues. Today, the continued presence of Saddam in Baghdad may be an electoral liability for Mr Bush. The French, however, although his admirable initiative on the Gulf has had a distressingly short shelf life.

## Desirable change

Although Germany, like Japan, was vilified for contributing only money, not troops, the war had a generally stimulative effect on the drive towards a common European foreign and defence policy. Manifestly, an advance in an incomplete one. That the first test of EC resolve came in Yugoslavia was unfortunate, but also salutary on the learning curve. If it comes, the desirable change in the German constitution, allowing the participation of its forces in any collective security operation outside the Nato area, may be said to have had its roots in the Gulf war. Equally, although constitutional change in Japan is less desirable, both domestic and international attention is now properly focused on the most effective way in which it can contribute to global security.

The war was unequivocally good for the UN system. Its security council worked as never before, thanks, in part, to Mr Gorbachev. It is also right that the international community, acting through the UN, increasingly considers it its business to intervene in the internal affairs of a country on humanitarian grounds. This would be the best justification for any future active intervention in Iraq.

It is true, however, that no new world order, as promised by Mr Bush, has been put in place, partly because of the disappearance of the Soviet Union. But the lessons of the war point to that order's essential ingredients. They are that no country, not even the world's remaining superpower, can do it all on its own; that the UN, an effective European Community and a more outward-looking Japan, must all play important roles. If, as we wrote a year ago today, "war is the result of miscalculation", (in this case by Saddam Hussein) peace and security should be no more.

Mr Jacques de la Rocière, the governor of the Bank of France, emphasises his country's new-found monetary rectitude by spelling out to visitors his employee's latest pay increase: just 2.5 per cent.

He arches his Gallic eyebrows at events in Germany. As part of general high wage demands this year's German pay round, the civil servants' association - which covers officials at the Bundesbank - has launched a claim for an increase of 10.5 per cent. German employers, meanwhile, this week have threatened to strike in pursuit of a 10 per cent-plus pay claim - even though yesterday there was growing confidence that a 5 to 6 per cent pay deal might be negotiated without recourse to widespread work stoppages.

The uncharacteristic flagging of Germany's inflation performance - one of the side-effects of German unification - has a crucial influence on the present strains within the European Monetary System (EMS).

The nervousness surrounding sterling - which was yesterday still hovering just above its effective floor in the system - reflects just part of the tensions. The strongest currency in the EMS remains the Spanish peseta, but the Italian lire, French franc and Danish crown have all been weak lately against the D-Mark.

The EMS has functioned for five years without a significant exchange rate realignment. But partly because Germany has fallen into financial straits as a result of post-unification economic turbulence, the system is starting to look vulnerable, for three basic reasons:

● High German interest rates: these have risen as a consequence of the Bundesbank's worries that Germany's unemployment boom in 1989-90 has left the country with an inflationary hangover. The German public sector deficit is running at about 4 per cent of gross domestic product, caused by large-scale public sector transfers to east Germany, while German wage inflation last year was an unusually high 7 per cent.

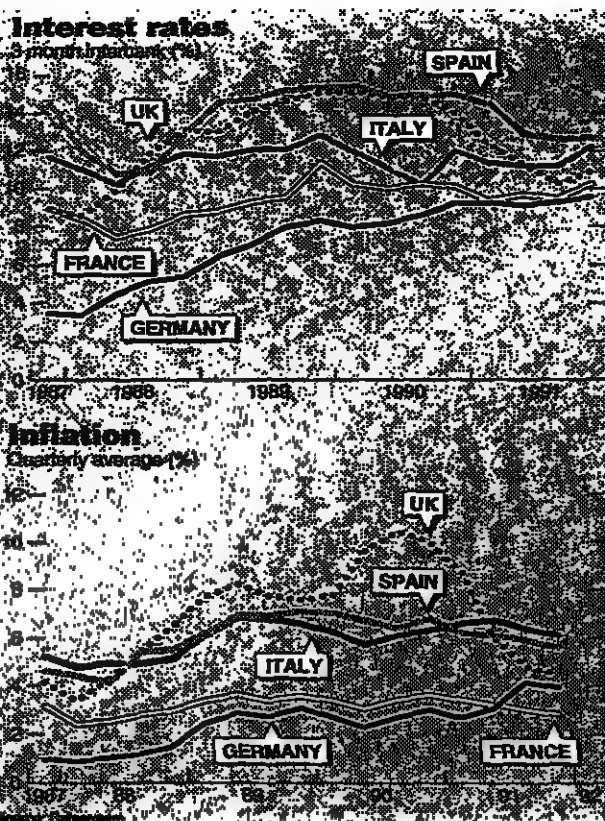
● Worries about sterling: the British government has firmly ruled out devaluation. But with the economy still in the doldrums, the UK has been the only member of the exchange rate mechanism (ERM) not to have increased interest rates in the wake of the Bundesbank's pre-Christmas boost in discount and Lombard rates. Confidence has not been helped by the Bundesbank view - shared by some at the Bank of England - that sterling joined the ERM 15 months ago at an unacceptably high rate.

● Longer-term concern about the position of the higher-inflation currencies within the EMS, above all the lira and the peseta: both Italy and Spain are running large current account deficits and will be prime candidates for devaluation if a large realignment needs to take place during the next two years as part of preparations for economic and monetary union (Emu).

In spite of this fragility, a realignment in the near future looks improbable, especially after the D-Mark's fall against the dollar in the last few days. Most EMS participants are con-

David Marsh reports on the effect of tensions within the EMS

## Stressful exchanges



considerably more wedded to exchange rate stability than at the time of the last shake-up in parties five years ago.

Most of these countries believe that the competitive advantage gained through any devaluation against the D-Mark would be outweighed by the negative effects on inflation. Rather than seeking a currency adjustment, Germany's partners seem likely, therefore, reluctantly to tolerate high interest rates in the next few months - part of the price of German unity.

One senior European central banker who has played a key role in running the nearly 13-year-old EMS says: "There was a good argument to revalue the D-Mark 18 months ago to lower inflationary pressures (during the reunification process). If that had happened, there would have been less of a boom in Germany, inflation would still be only 2.5 per cent, and German interest rates would not be so high."

Now, however, with German growth slowing, he says: "The situation is different. The time for a revaluation has been missed."

In his struggle to avoid a foreign exchange market showdown, Mr Norman Lamont, the UK chancellor, has several cards up his sleeve.

Staunchly, the EMS floor - at present, just below

DM2.85 - is set by the peseta, the only currency other than sterling to benefit from the wide 6 per cent fluctuation margin. If the Spanish currency moves lower in coming weeks, this automatically increases the pound's leeway to drop to its ultimate floor of DM2.78, reducing pressure on the UK authorities to take defensive action.

If the Bank of England does need to intervene to protect sterling, it can draw on an increased stock of foreign exchange reserves - much of them now held in D-Marks. The UK's currency reserves have risen since the end of 1989 from £12bn to £19bn. This is part of an unprecedented £120bn increase in the currency holdings of Germany's eight ERM partner central banks during the past five years.

There is now less overall economic reason for a currency adjustment than in the past. European inflation rates have converged noticeably during the past five years - sharply narrowing interest rate differentials (see chart).

With French inflation down to 3.1 per cent last year, against 4.3 per cent in Germany, the Bank of France believes that the franc could eventually take over the "anchor" role in the EMS enjoyed by the D-Mark, allow-

ing the French government to reduce its interest rates to less than Germany's. This explains why Mr Pierre Bérégovoy, the French finance minister, has become the arch-defender of the franc's present D-Mark parity.

One senior French finance ministry official remarks with humour: "We find it unacceptable that a currency with a lower inflation rate should be devalued." If there should be a realignment in the future, he says, the franc would move up in line with a revaluation of the D-Mark.

Mr Bérégovoy's rebuttals of devaluation now have considerable credibility, for he has found some powerful allies at home. In spite of slow growth and increasing unemployment - projected to rise to more than 10 per cent in early 1992 - there is near-consensus among French industrialists in favour of keeping the franc stable.

The French Patronat employers' organisation, which called at the beginning of the 1980s for a lower franc, now firmly rebuts the devaluation option. "Exchange rate discipline has had very positive effects on the competitiveness and efficiency of French enterprises," says Mr Ernest-Antoine Seillière, Patronat vice-president in charge of economic affairs. "For decades, we experienced systematic devaluations, which became a way of life. We do not want to start again."

Similar firmness on the need to stick to current EMS levels is shown by employers' organisations in the UK and Germany. Mr Douglas McWilliams, economic adviser to the Confederation of British Industry, says he is pleasantly surprised by the number of industrialists supporting the UK government's anti-devaluation line. Mr CBI member, he estimates, that "most would go along with a small rise in interest rates rather than a devaluation". Sir Brian Corby, the CBI president, yesterday ruled out a devaluation as "unacceptable, unnecessary and counter-productive".

Mr Lando von Wartburg, general manager of the Federation of German Industries, the BDI, urges EMS partners to stick to the "stability course. A realignment would not be helpful", he says. "Other countries may try to escape the influence of German interest rates. But it would not solve their difficulties."

As European governments ponder how long the German credit squeeze will last, forecasts that the Bundesbank will reduce its key lending rates by April are starting to look more credible after a sharp fall in German capital market yields during the past few weeks - a signal that the German economic slowdown is now starting to lift.

Much will depend on the outcome of the next few weeks of German wage bargaining. If further evidence of sluggishness in the German economy coincides with moderation in pay deals, there will be overwhelming pressure on the Bundesbank to relax its stance. "At these high levels of interest rates," says one key Bundesbank official, "the air gets a little thin."

In the meantime, Germany's EMS partners will have little choice but to take the medicine from Frankfurt.

## BOOK REVIEW

## Mid-bridge in the Middle East

NO TRUMPETS, NO DRUMS  
By Sari Nusseibeh and Mark Heller  
I.B. Tauris, £12.95

the principle of what they describe as "equitability and mutualism" between the Israeli and Palestinian peoples.

If that were achieved, then Messrs Heller and Nusseibeh would be more likely to be observing and chronicling the progress of the official negotiations, rather than coming up with solutions of their own. Finding a way to cross the bridge from the reality of today to the point at which the authors have chosen to begin their own negotiations is what the present American-led peace process is about.

For Arab leaders, the past decade has brought a relentless narrowing of choice. The demise of pan-Arabism, the progress of the official negotiations, rather than coming up with solutions of their own. Finding a way to cross the bridge from the reality of today to the point at which the authors have chosen to begin their own negotiations is what the present American-led peace process is about.

For Arab leaders, the past decade has brought a relentless narrowing of choice. The demise of pan-Arabism, the progress of the official negotiations, rather than coming up with solutions of their own. Finding a way to cross the bridge from the reality of today to the point at which the authors have chosen to begin their own negotiations is what the present American-led peace process is about.

For Arab leaders, the past decade has brought a relentless narrowing of choice. The demise of pan-Arabism, the progress of the official negotiations, rather than coming up with solutions of their own. Finding a way to cross the bridge from the reality of today to the point at which the authors have chosen to begin their own negotiations is what the present American-led peace process is about.

For Arab leaders, the past decade has brought a relentless narrowing of choice. The demise of pan-Arabism, the progress of the official negotiations, rather than coming up with solutions of their own. Finding a way to cross the bridge from the reality of today to the point at which the authors have chosen to begin their own negotiations is what the present American-led peace process is about.

For Arab leaders, the past decade has brought a relentless narrowing of choice. The demise of pan-Arabism, the progress of the official negotiations, rather than coming up with solutions of their own. Finding a way to cross the bridge from the reality of today to the point at which the authors have chosen to begin their own negotiations is what the present American-led peace process is about.

Roger Matthews

## Staying power

Recognition at last: Vilnius Bilickas, who for over 50 of his 67 years has unofficially represented Lithuania in Britain, is to be recognised as his country's ambassador by the Queen.

The first envoy to be appointed to the Court of St James by one of the newly independent Baltic states, he initially arrived in London as a commercial councillor in 1988. A year later the Ribben-rop-Plan, which placed Lithuania into the Soviet Union.

Bilickas stayed put, along with the ambassador Bronius Balutis, becoming head of mission when his chief died in the 1990s. Although the UK foreign office altered his personal diplomatic privileges, deeming him a *chargé d'affaires*, he was not recognised as Lithuania's envoy nor, of course, invited to diplomatic parties.

He'll no doubt make up for it after presenting his letters to the Queen on February 11. But, while he wouldn't say so himself, a better date might have been chosen.

Five days later comes Lithuania's long-standing independence day - one of the two occasions each year on which Bilickas has steadfastly raised his faded yellow, green and red national flag over the legation. The other is Her Majesty's birthday.

## Musical chairs

The reshuffle of finance directors at NatWest and TSB is all rather odd.

Why should a well-respected NatWest veteran like John Burns want to defect to TSB, a group less than half NatWest's size, when he is only four years from retirement? Presumably Burns is privy to NatWest's innermost strategic secrets, so why allow him to take them to an arch competitor? It looks far too cosy and once again raises questions about just

## OBSERVER

how competitive British banks really are. Burns was not talking yesterday, so the market will have to draw its own conclusions.

Of the two banks, NatWest seems to be taking the bigger risk in going outside the finance club. While it certainly needs an injection of talent, such changes are better made step by step. Not only is Richard Goetts not a banker, but he comes from another country. His wife, the former Ellen Johnson, seems intent on continuing her career in Chicago as treasurer of Sara Lee.

He might be just what is needed to shake up NatWest's inbred management culture. But the record of similar moves is not particularly encouraging. Midland Bank is on its third outside finance director and so far there is little improvement in its fortunes. Meanwhile, Lloyds Bank, the most successful of the clearers, seems to have done very well without having a finance director on its board.

## Well telegraphed

It was scarcely a surprise punch-line that emerged from the New York Times's 65-year-old chairman and publisher yesterday. Arthur Ochs Sulzberger, known familiarly as Punch (his sister is called Judy) named his son Arthur Ochs Sulzberger Jr as new publisher.

Junior, dubbed Pinch by outsiders, joined the NY Times in 1976. Now 40, he has worked there as general reporter, advertising man, corporate planner, and deputy publisher. There was never any doubt about his destiny. His earnings, which in 1990 totalled \$302,500, reflected his exalted position. As one Wall Street analyst noted a while back: "Obviously your name isn't Sulzberger for nothing."

True, Pinch will have to con-



tend with a recession-hit media market. The New York Times Company reported a 75 per cent slump in third quarter net profit, to \$1.9m. But Sulzberger senior declared himself "confident that Arthur will be an excellent publisher."

Oddly enough, much the same was said last March by Katharine Graham, owner of the Washington Post, when she named her son Donald to succeed her as its chief executive.

## Ivan the volatile

Britain's parliamentary equivalent of TV talent-spotting shows, private members' bills offer obscure backbenchers a rare chance to change the law and achieve stardom. And opportunity knocks today for Conservative MP Ivan Lawrence, whose national lottery bill comes up in the House of Commons.

He is already better known than most backbenchers, not least because of his other job as a criminal barrister in

which he appeared for the Kray brothers and mass-murderer Dennis Nilsen. But he has also scored a telling success in parliament.

In opposing the government's Water (Floodation) Bill nearly seven years ago, he made a speech starting at five in the morning and lasting four hours 23 minutes - embroiled in the Guinness Book of Records as the longest back-bench speech under present standing orders.

## Culture gulf

Henry V would have turned in his grave when the war against Iraq began on the morning of January 17 last year, according to the man who commanded Britain's naval forces in the Gulf.

Admiral Christopher Kempster told an audience at the Royal United Services Institute yesterday how, shortly before the allied offensive, he asked commanders in Riyadh for a codeword he might flash out to tell everybody when "the hellion had gone up".

The word he requested was *Agincourt*. To his consternation, the response came back: "Use Walkman."

## City expects...

While we're talking about codes, isn't it time Trafalgar House replaced the three flags in its logo with a more appropriate message?

The three pendants spell out the number 283, which the company insists was the code Nelson used for "England" in his famous signal about expecting every man to do his duty at the battle of Trafalgar. But to judge by yesterday's rather stormy annual general meeting, the company of Trafalgar isn't living up to City expectations at least.

A more apt logo might be: letter-flags SHV, signifying "any engines are going full speed ahead, I am disabled - communicate with me, and I require assistance".

# INDEXTRA.

## HIGH RETURNS FROM THE SPECIALIST INVESTMENT MANAGER.

Indextra has produced some rather special returns. From inception, in January 1989, it has returned 65.2% whilst the FTA All Share Index, over the same period, returned 48.3%.

(Source: The WM Company)

Annualising these returns shows Indextra to have returned 18.2% per annum compared to the FTA All Share Index return of 14.0% per annum. If you are an institutional investor with at least \$5,000,000 to invest, it's time you discovered Indextra.

Contact David Puddle on 071-260-9844.

Midland Montagu Asset Management  
The Specialist Investment Manager

10, LOWER TRADING STREET, LONDON EC3A 3BB  
MIDLAND MONTAGU IS THE INTERNATIONAL INVESTMENT BANKING ARM OF MIDLAND GROUP  
MIDLAND MONTAGU ASSET MANAGEMENT IS A MEMBER OF BDO.











## INTERNATIONAL COMPANIES AND FINANCE

## Siemens ahead 6% in first quarter

By Andrew Fisher in Munich

SIEMENS, the German electrical and electronics group, yesterday reported a 6 per cent rise in first-quarter net profits to DM398m (\$349m) and indicated that earnings for the year ending September 1992 would be around DM2bn.

It said profits on industrial activities would improve this year after a 20 per cent fall in 1990-91, mainly caused by heavy losses on computers through its acquisition of Nixdorf and on semi-conductors.

Siemens' profits growth last year stemmed from the doubling of its financial income to around DM2bn. Mr Karl-

Hermann Baumann, the finance director, said this mainly comprised interest on its large cash and securities holdings, with Siemens also benefiting from lower write-downs to reflect the value of its DM1.5bn of securities.

This year, Mr Baumann expected financial profits to decline slightly. Last year's jump propelled group pre-tax profits 21 per cent ahead to DM3.4bn. Because of higher taxes, net profits were only 7 per cent higher at DM1.8bn. Computer activities produced a net loss of DM781m, which Siemens expects to be reduced sharply this year. It is also

striving to reduce the much increased semi-conductor losses of some DM500m.

Last year's net profit was a return on turnover of 2.5 per cent, and Mr Heinrich von Pierer, deputy chief executive and chief executive-designate, said Siemens hoped to maintain the rate of return in 1991-92.

This yield would produce net profits of about DM2bn, based on his forecast that turnover should rise by 10 per cent to just over DM30bn. He also expected new orders to grow by 5 per cent to DM28bn, a sharp slowdown from last year's 21 per cent increase.

The consolidation of new businesses accounted for 9 per cent of the inflow, the rest mainly reflecting heavy demand for infrastructure-related products in the energy, transport, and telecommunications fields. New orders in east Germany totalled DM3.3bn.

In the first quarter of this year, the new order inflow eased by 1 per cent to DM39.1bn, with a 4 per cent rise at home and a 5 per cent fall abroad.

Mr von Pierer said the economic slowdown in important markets such as the US and parts of western Europe would be reflected in the order books.

## Fisons comes in for criticism from FDA

By Daniel Green in London

FISON'S most promising product has been strongly criticised by US Food and Drug Administration (FDA), casting a shadow over the prospects for profits growth at the UK drug company.

The FDA controls which products are sold in the \$60bn-a-year US drugs market.

Documents released under the Freedom of Information Act show that UK production of Tilade, an asthma drug whose sales were once forecast by analysts to reach 250m (\$680m) a year by 1992, has been breaking US regulatory rules.

## Digital Equipment's \$130m loss heavier than market expected

By Louise Kehoe in San Francisco

DIGITAL Equipment, the computer manufacturer, has incurred a larger-than-expected second-quarter loss and is to accelerate plans to consolidate operations and cut its workforce.

Net losses for the quarter were \$138m, or \$1.11 a share, against net income of \$11m, or 92 cents, in last year's second quarter.

Analysts had expected losses of between 30 cents and 60 cents a share.

Revenues for the quarter rose slightly to \$3.45bn, from \$3.35bn a year ago.

Digital's stock plunged on the results to trade at \$37 in mid-session, down from \$59 overnight.



Kenneth Olsen: "We had to adjust pricing"

"In a competitive world where most customers are cutting back on capital expenditures, we did not see any growth in product sales and we had to adjust pricing," said Mr Kenneth Olsen, Digital president.

Equipment sales were flat, although the software and services business continued to grow, he said.

Digital had forecast an operating loss for the quarter, saying last month that recessions in the US and Europe had hit sales of its highest performance computers particularly hard.

For the fiscal year ended last June, Digital reported its first annual loss of \$617m after tax.

Heavy restructuring charges to cover the cost of thousands of layoffs.

Digital is to accelerate efforts to restore profitability, through cost-containment measures and by seeking new opportunities for revenue growth by expanding markets and distribution channels, said Mr Olsen.

Digital had announced plans to cut its workforce by 10,000 this year, but may now make deeper cuts. It employs about 119,500 worldwide.

For the half-year, the net loss was \$109.7m, or 88 cents, against net income of \$137.2m, or \$1.12, a year earlier. Revenues were \$6.8bn against \$6.4bn.

## Minol sold to Franco-German consortium

By Leslie Collin in Berlin

THE Treuhander German privatisation agency, in one of its biggest deals, is selling eastern Germany's Minol filling station company and the Leuna refinery to a Franco-German consortium of Elf-Aquitaine, Thyssen and SB Kauf.

The consortium plans to invest DM3bn (\$3.1bn) to build Europe's most modern refinery at Leuna with a capacity of between 10m and 12.5m tons as well as a new pipeline linking it to a Baltic port. It will also modernise Minol's more than 900 filling stations.

Elf, France's largest company and partly state-owned, is to take a majority stake in both Minol and the refinery.

British Petroleum, heading a consortium of Total, Statoil, Agip and OMV, was the other main bidder.

Mr Wolf Schöde, the Treuhander spokesman, hailed the decision as a milestone toward rescuing the antiquated east German chemicals industry.

The Treuhander's managing board is expected to approve the recommendation, and a final contract is to be signed next June.

Mr Schöde said the sale would save more than 7,000 jobs in the east German chemicals industry by making the loss-making Leuna chemical site attractive for western investors.

The winning consortium agreed to provide the Leuna chemical plant with competitively-priced feedstock and to accept as partners in the refinery other investors in the petrochemicals site.

Originally, the Treuhander wanted to sell Minol, which is highly profitable, individually, but then decided to add it as a sweetener to the obsolescent, loss-making Leuna refinery.

Minol is to be kept as an independent brand and is also to be introduced into west Germany. The German Cartel Office approved the sale on condition that a fixed number of Minol's filling stations be sold to medium-sized operators. The present Leuna refinery, with a capacity of 7m tons, is inter-connected with the chemicals plant which had sales of DM2.1bn last year and losses of DM360m.

## Perrier pressure on Agnellis

By William Dawkins in Paris

ITALY'S Agnellis family yesterday came under pressure to launch a direct bid for Perrier, the French mineral water group, when the stock exchange authorities refused exemption from the obligation to launch an offer.

Infint, an Agnellis holding company, last month launched a FF5.6bn (\$1.03bn) offer for Perrier, the holding company which controls Perrier. The offer has been cleared by the stock exchange and expires on January 24.

Having to bid for Perrier as well would be a costly setback, though officials pointed out yesterday that the various stock exchange authorities involved have not come to a final decision.

Exor and its allies, Société Générale, the privatised bank

and Saint-Louis, a paper and packaging company, have together held 49.32 per cent of Perrier's voting shares since Saint Louis earlier this month bought a 13.8 per cent stake in the mineral water group.

They asked the Conseil des Bourses de Valeurs (CBV), the regulatory authority, to release them from the obligation to bid for Perrier on the grounds that it had already been controlled by Exor for several years.

However, the CBV refused their request on the grounds that it did not have enough information on the conditions under which Saint Louis bought a stake in Perrier, a transaction which is now being examined by the Commission des Opérations de Bourse

(COB), the stock market watchdog.

The Agnellis' advisers are understood to believe it is unlikely that Exor will in the end be forced to make a full bid for Perrier.

The Saint-Louis deal tightened the Agnellis' control over the mineral water group, incidentally staving off a planned counter-bid from Nestlé, the Swiss food multinational.

It could not give exemption "without knowing whether the normal market rules were allowed to come into play," during the Saint-Louis purchase of Perrier shares.

A COB spokeswoman could not comment on the precise subject of the inquiry, which she said would be completed as soon as possible.

## Uni-Storebrand in Nkr1bn charge

By Karen Fosell in Oslo

UNI STOREBRAND, Norway's largest insurance group, will suffer large share portfolio losses and take other non-related charges against 1991 accounts totalling more than Nkr1bn (\$166m).

The company said that by the end of 1991 its share portfolio had run up losses of Nkr460m following negative developments on the Oslo bourse in the third quarter.

Uni Storebrand also said a Nkr150m charge is to be made against 1991 accounts to cover losses on motor underwriting.

In 1990, Uni Storebrand made

a net profit of Nkr408m and suffered a loss on its share portfolio of Nkr1973m. Last autumn, the group paid Nkr4.3bn to acquire a 25 per cent stake in Skandia, Sweden's biggest insurer.

The company stressed that a large part of its share portfolio losses are due to its position as a leading shareholder in loss-making Den norske Bank (DnB) and Christiania Bank, Norway's two biggest banks.

They were rescued from insolvency last autumn by the state which injected Nkr1.5bn into the banking system.

"These shareholdings reduced investment income in 1991 by around Nkr1200m in the group's non-life company and by Nkr200m in the life assurance company," Uni Storebrand explained.

Christiania Bank, Norway's second biggest bank, was taken over by the state last October, after which the bank was forced to write down its shares in 20m.

Uni Storebrand held 3m shares in Christiania Bank and 2.5m in DnB, which holdings have since been slightly reduced.

## IRI poised to take over state's ASST

By Haig Simonian in Milan

IRI, the Italian state holding company, was yesterday poised to gain parliamentary approval to take over ASST, the government department which runs Italy's trunk inter-urban phone network and some international links.

The reform follows the government's recent approval for a new "price cap" structure for SIP, Italy's main telephone utility, which is part of the IRI group. The "price cap" will allow SIP to raise call charges and equipment rentals auto-

matically each year, subject to certain performance criteria.

Together, the two steps should enable SIP, which reported a 54 per cent rise in last year's final operating profits to L84.5m (\$66m), to raise earnings further.

Yesterday's parliamentary debate marks a major step in the realignment of Italian telecommunications. Under the new law, ASST is likely to be transferred to STET, the IRI-owned holding company which controls much of the country's

telecommunications services.

In time, the functions of ASST, which is currently part of the post ministry, will be handed over to SIP. The division of responsibilities between the two and internal rivalries have been among the biggest handicaps to a more efficient telephone service in Italy.

The new law also provides guarantees for ASST's 18,000 workers, who will theoretically lose their jobs-for-life guarantee as civil servants should they accept the transfer to IRI.

## Adidas chief executive to quit at end of the year

By Andrew Fisher

MR René Jäggli, who became chief executive of Adidas, the German sports shoe and clothing equipment group, four years ago, has decided not to stay on when his contract expires at the end of this year.

He gave personal reasons for the decision, which comes as the company - controlled by Mr Bernard Tapie, the French financier - is experiencing increased profits. Yesterday, it reported a 3 per cent rise in sales to DM4.4bn (\$2.1bn) last year.

Total brand sales, including licensing revenues, were DM4.7bn in 1990. The figure was DM4.4bn, but the Le Coq Sportif, Arena, and Pony brands, which accounted for

DM330m, have since been sold.

Mr Hans Friderichs, the head of Adidas's supervisory board, regretted Mr Jäggli's decision to leave. Under Mr Jäggli's direction, he said, "the group has been put back on track and in the last two years the company again earned profits".

Since Mr Tapie and Mr Jäggli both have strong personalities, it is thought there may have been differences of opinion over the running of the company. Mr Jäggli also wanted employees to be offered a stake in Adidas.

The company gave no profit figures, but has forecast that pre-tax income would rise by around 50 per cent to DM60m, with a further gain in 1992.

## Safra group net earnings advance 18% to \$85.4m

By Ian Rodger in Zurich

GROUP net earnings of Safra Republic Holdings, the holding company for the European private banking group headed by Mr Edmund Safra, jumped 18 per cent last year to \$85.4m, or \$4.75 per share.

The group said net interest income rose 19 per cent to \$149.8m due to improved margins and growth in interest-earning assets. Foreign exchange revenues and commission income also advanced.

Total assets at December 31 were \$9.1bn, compared with \$8.2bn a year earlier. Client deposits rose to \$6.1bn from \$5.7bn and client portfolio assets jumped to \$2.2bn from \$1.5bn. The group operates banks active in international private and commercial banking under the Republic National name in Geneva, Lux-

embourg, France, Guernsey and Gibraltar.

Provisions for loan losses more than doubled to \$19m from \$7.7m in the previous year. Loans represent 14.5 per cent of total assets, with the remainder invested primarily in deposits with leading international banks and highly rated bonds. Non-performing loans were \$15.3m at the year-end.

Book value per share stood at \$61.77 at December 31, compared with \$58.44 a year earlier. Shareholders' equity rose to \$1.09bn from \$1.04bn, with approximately \$10m of the increase arising from the currency gain on the increase in the value of the company's Swiss franc net investment in Republic National Bank of New York (Suisse).

## Alcatel to stop producing fax machines

By William Dawkins in Paris

ALCATEL, the leading French telecommunications equipment group, is to stop making its own facsimile machines within the next six months and move to selling other producers' equipment under its own label.

The move, by France's largest producer of fax machines, marks the final abandonment of the government's hopes for nurturing a domestic fax-making industry, embodied in an unsuccessful 1979 plan to promote a cheap machine.

It comes in response to falling prices and margins and intense Japanese competition, said the group, which added that it would continue to be "on the offensive" as a distributor.

Alcatel's own machines last year accounted for 18.6 per cent of the French market, rising to 27.8 per cent - a total of 62,000 units - counting machines made by Alcatel for sale under other suppliers' labels, such as France Télécom, the telecommunications operator.

Fax machine production will be moved gradually over to other producers, led by Hewlett-Packard, the US computer group, and Sagem, a French telecommunications equipment producer, who will make machines to Alcatel's specifications and under its label.

SNCF, the French state railway, expects profits in 1991 to be stable compared with 1990 on a slightly higher turnover of about FF33.6bn (\$9.92bn). Reuter reports from Paris.

A spokesman said the profit figure had not been determined, but that it would be between break-even and 1990's FF171m.

## Continental Bank in red after good quarter

By Alan Friedman in New York

CONTINENTAL BANK, the Chicago-based group which had to be rescued by federal authorities eight years ago, yesterday reported a \$76m loss for 1991 despite a return to the black in the fourth quarter of the year. Net income for the whole of 1990 was \$75m.

The bank's \$30m net profit in the last quarter came after \$126m of losses in the first nine months. Mr Tom Theobald, chairman, called the last quarter result "a promising finish to a year in which we completed our restructuring".

Continental said its bad debt provisions were \$222m in 1991, at \$40m. In the fourth quarter, these provisions amounted to \$30m, down from \$48m in the last quarter of 1990. Net loan write-offs in the whole of 1991 totalled \$23m, compared with \$87m in 1990.

Non-performing loans at year-end increased by 7 per cent on the 12-month period to \$73m, but they were 19 per cent down on the September 30 level. At year-end, non-performing loans represented 5.22 per cent of Continental's total loan book.

Continental has cut its workforce from around 10,000 in 1987 to just over 5,000. The bank has focused increasingly on corporate business.

## Bear Stearns surges 400%

THE DRAMATIC improvement

in Wall Street's fortunes in the past year was reflected yesterday in the latest figures from Bear Stearns, the New York securities house, which announced a 400 per cent increase in fiscal second quarter profits to \$77.4m, writes Patrick Harverson in New York.

The huge rise in quarterly profits, earned on revenues of \$479m, up from \$94m in the second quarter of 1990, was not confined to financial markets and equity markets and intense activity in the corporate stock and bond issue business.

The most impressive performance came from Bear Stearns' investment banking division, which, thanks to a sharp jump in earnings from the underwriting of equity and

fixed-income issues, reported a 330 per cent increase in profits to \$88m.

Income from principal trading was also significantly higher compared to a year ago. Profits from trading mortgage-backed securities, Treasuries, corporate bonds and securities in the high-yield and bankruptcy sectors more than doubled to \$23m.

Commission fees were also up, rising 94 per cent to \$98m on the back of increased investor confidence in financial markets and strong results from Bear Stearns' customer clearing business.

Expenses also rose in the quarter, climbing from \$221m a year ago to \$248m, due primarily to a big increase in performance-related employee compensation and benefits.

## General Motors to pull out of car production in Korea

By Kevin Dine, Motor Industry Correspondent

GENERAL Motors of the US, the world's biggest vehicle maker, is planning to withdraw from car production in South Korea with the sale of its 50 per cent stake in the troubled Daewoo Motor.

GM said yesterday it was "exploring the possibility" of selling its stake to the Daewoo Group, holder of the remaining equity in Daewoo Motor.

The disposal is a severe setback to GM's plans for expansion in the Asia-Pacific region. South Korea is expected to be one of the world's fastest-growing car markets in the 1990s, but GM has decided to pull out of car-making in the country in the face of its pro-

longed conflict with the Daewoo Group over the management of Daewoo Motor.

GM said it would maintain its presence in Korea through a number of automotive components joint ventures, which would also continue to supply Daewoo Motor.

The disposal of the 50 per cent stake in Daewoo Motor was subject to the negotiation of an "acceptable" price and other terms, it said.

Earlier this week, GM announced that it had agreed to enter its first vehicle production venture in China, where it is planning to assemble light commercial vehicles.

NOTICE TO THE HOLDERS OF  
**State Bank of South Australia**  
YEN 4,800,000,000  
Yen/Australian Dollar Payable  
Guaranteed Notes due 1993  
(Issued in two tranches)  
unconditionally guaranteed by  
**The Treasurer of the State of South Australia**

In accordance with the Terms and Conditions of the above-mentioned Notes, notice is hereby given that the State Bank of South Australia has elected to exercise its Australian Dollar Option as defined in Condition 5 of the Terms and Conditions of the Notes (the Option) to both Tranche A and Tranche B Notes (together "the Notes").

Consequently, all payments falling due on the Notes on or after 26th January, 1992 will be made in Australian Dollars.

In accordance with clause (C)(2) of Condition 3, the rate of interest payable on the Notes in respect of the third Interest Period will be 20 per cent per annum calculated on the respective Australian Dollar Redemption Amount (as defined in Condition 6), and the Redemption Amount payable on the redemption of each Note will be AS \$4,746.00 per Tranche A Note and AS \$3,195.00 per Tranche B Note.

The Fiscal and Principal Paying Agent  
**KfL Kreditbank Luxembourg**  
Luxembourg, January 17, 1992

**BARINGS B.V.**  
US\$ 150,000,000  
Guaranteed Floating Rate Capital Notes due 2001  
Payment of principal and interest guaranteed by  
**Barings plc**

In accordance with the provisions of the Notes, notice is hereby given that for the interest period from January 17, 1992 to July 17, 1992, the Notes will carry an interest rate of 5% per annum.

The interest payable on the relevant interest payment date, July 17, 1992 against coupon No 13 will be US\$282.78 per Note of US\$ 10,000.

The Agent Bank  
**KfL Kreditbank Luxembourg**

Beginning  
Monday, January 20, 1992  
In the Wee Hours  
of the Morning  
Sherwood Securities  
will be Making Markets  
In Over 1400  
NASDAQ International Stocks.

At 3:30 A.M. Will You Know  
Where Your Traders Are?

**SHERWOOD SECURITIES CORP.**

One Exchange Plaza/At 55 Broadway • New York, New York 10006  
800-435-1235 • (212) 482-9900  
Institutional: 800-435-1238 • (212) 482-9909  
NEW YORK • LOS ANGELES • DENVER • MINNEAPOLIS • CHICAGO



## INTERNATIONAL COMPANIES AND FINANCE

## Carolco reprieved by finance deal worth \$55m

By Alan Friedman

CAROLCO Pictures, the troubled Hollywood studio, said yesterday it had secured \$45m of financing and a default on \$10m of debt from US and foreign lenders. The funds will allow it to continue operations.

Carolco, best known for Terminator 2, the Arnold Schwarzenegger blockbuster, is caught in a financial squeeze along with other independent film companies. Orion Pictures, the bigger independent, recently filed for protection from creditors under Chapter 11 of US bankruptcy law.

Carolco's problems have been mounting since last summer. In November it ended talks aimed at acquiring a 48 per cent shareholding in Live Entertainment, a home video supplier majority-controlled by Carolco. In December, Carolco cut its staff of 200 by 25 per cent.

For much of last year, the company was in technical default on \$17m of bank loans. In the third quarter it suffered a \$43.7m loss. At the year-end, Mr Peter Hoffman, chief executive, said he would leave the company following what analysts described as internal management conflicts.

The \$45m financial package was approved by Carolco's foreign minority shareholders - Pioneer of Japan, Rizzoli of Italy and Cinéma of France. It consists of a \$25m loan secured on Carolco's 53 per cent stake in Live Entertainment, plus a new issue of \$20m of preferred stock convertible into common shares. The foreign shareholders have agreed to defer receipt of \$10m of payments owed to them.

Carolco's share price rose 5% to \$2.40 in early trading.

## Wesfarmers' Bunnings offer 'unacceptable'

By Kevin Brown in Sydney

WESFARMERS, the Western Australian farming and commodities group, is trying to gain control of the Bunnings timber, hardware and metal products company at an "unacceptably low price", Mr Doug Zink, Bunnings' chairman, said yesterday.

Wesfarmers announced a \$155.5 (US\$222.4) a share hostile bid for Bunnings on January 1 following indications that BTE of the UK was seeking to dispose of its 24.5 per cent stake.

BTE acquired the shares as a result of the recent \$1.5bn takeover of Bunnings by the UK engineering group, the UK engineering group.

Wesfarmers says the \$155.5m bid represents a fair price for Bunnings, in which it has a 19.9 per cent holding.

However, Mr Zink said a committee of directors formed to consider the offer believed the bid price was not related to the underlying value of Bunnings' assets.

U.S. \$50,000,000  
Hysung (America), Inc.  
(Incorporated in the State of New York, U.S.A.)  
Guaranteed Floating Rate Notes due 1996

For the three month interest period 16th January, 1992 to 16th April, 1992 the Notes will carry an interest rate of 4% per cent per annum, with a Coupon Amount of U.S. \$600.35 per U.S. \$50,000. Note, payable on 16th April, 1992.

Underwritten by

KDB Asia Limited

Hong Kong Agent: Citibank

## Mobile Communications

Mobile Communications, the twice-monthly newsletter published by the Financial Times, is the perfect solution to your information problems. Mobile Communications provides accurate, searching reports on the key mobile events in the UK and around the world. Combined with its own in-depth research and providing a level of analysis you simply cannot get anywhere else.

Mobile Communications covers all aspects of the business - including cellular radio, private mobile radio, paging services, cordless telephones, airborne communications and satellite mobile services.

Mobile Communications is an essential business aid you cannot afford to be without.

To obtain your free sample copy simply complete the form below and return it to: Caroline Skirrow, Financial Times Newsletter, Tower House, Southampton Street, London, WC2E 7JA, UK.

Tel: (+44) 71 240 5591, Fax: (+44) 71 240 7946.

## Expected losses at Secpac cast new light on merger

By Alan Friedman in New York

FOURTH-QUARTER figures from Bank of America and Security Pacific yesterday underscored the degree to which the planned \$4.2bn merger of the two California banks - the biggest in US history - is in many respects a rescue of the latter by Bank of America.

While the San Francisco-based Bank of America reported annual net profits of more than \$1bn for the third year running, the Los Angeles-based Security Pacific said that it expected to report a \$400m fourth-quarter deficit that would result in a loss for the year of \$755m.

Security Pacific, which began selling off many of its non-US holdings even before the merger was announced last summer, achieved a \$161.3m net profit in 1990.

The bank said its fourth-quarter results would include \$780m of bad debt provisions - \$150m more than the anticipated fourth-quarter loan losses of \$550m.

Secpac's fourth quarter would include a \$65m writedown of the bank's investment in Hoare Govett, the UK broker.

This reflected a decision to sell the business rather than pursue a partial management buy-out of Hoare Govett, the bank said.

Mr Robert Smith, Secpac's chairman, said the results "continue to reflect adverse economic conditions in the principal markets we serve, as well as further strengthening of the reserve for credit losses".

Mr Smith said he had been advised by Bank of America that the fourth-quarter losses and loan provisions at Secpac "do not alter BankAmerica's assessment of the overall benefits of the planned merger".

He said both companies were proceeding with regulatory filings needed to consummate the merger, which was expected to go ahead in the next couple of months.

Bank of America, which said earlier this week it would increase the amount of deposits to be divested upon completion of the merger from \$4bn to \$7bn, has separately indicated it would create a "bad bank" consisting of problem assets of up to \$4bn.

Bank of America said its fourth-quarter net income was \$985m, slightly below its \$1.07bn in the same period of 1990. Net earnings for the whole of 1991 were \$1.12bn, compared to \$1.11bn in 1990.

Non-interest income rose by 18 per cent to \$655m in the fourth quarter, while net loan losses were \$279m in the quarter, more than double the \$122m in the same quarter of 1990.

Total bad debt provisions for 1991 were \$805m, compared with \$605m in 1990. On Wall Street, Bank of America's share price was unchanged at \$41 1/4 before the close, while Security Pacific's was 5% lower at \$24 1/4.

## Bristol-Myers earnings rise 18%

By Karen Zagor in New York

BRISTOL-Myers Squibb, one of the world's biggest drug companies, yesterday turned in an 18 per cent rise in 1991 earnings.

Net income for the fourth quarter ended December 31 advanced about 20 per cent to \$101m or 98 cents a share from \$82.5m or 81 cents a share earlier. Sales in the three months grew 7 per cent to \$2.94bn from \$2.74bn. Pre-tax earnings advanced 16 per cent to \$703.7m from \$607.1m in the third quarter of 1991.

For the full year, Bristol-Myers Squibb had net earnings

of \$2.05bn or \$3.95 a share, compared with \$1.75bn or \$3.33 in 1990. Sales rose 6 per cent to \$11.16bn from \$10.53bn. Pre-tax earnings grew 14 per cent to \$2.82bn from \$2.45bn.

The results met most analysts' expectations, but its shares fell 3 1/4% to \$29 1/4 yesterday morning.

On Wall Street, investors have started shifting funds away from the pharmaceutical sector in the past week as they search for better returns and in the big pharmaceutical companies has come under selling pressure.

During 1991, Bristol-Myers sales were led by the US, where they rose 10 per cent while international sales grew 6 per cent. Mr Richard Gelb, chairman and chief executive, said almost all of the company's businesses posted improved sales, excluding discontinued operations.

Consumer products was the only business sector to show a decline in sales. The company last week said it would cut the prices of drugs it sold to Federal programmes for veterans, the military and the Public Health Service.

## Philips to close US chip factory

By Ronald van de Krol in Amsterdam

PHILIPS, the Dutch electronics group and the world's ninth biggest semiconductor maker, announced yesterday that it planned to close down a 25-year-old semiconductor factory near Salt Lake City, Utah by the end of 1992.

Production of semiconductors built at the Orem site will be transferred to other factories in the US, Europe or the Asia Pacific area. The move is

part of Philips' efforts to enhance efficiency in its global semiconductor business. Semiconductors, Philips' US chip subsidiary, has manufacturing facilities in New Mexico and California.

Philips said the closure was a matter of streamlining operations and was not a response to market conditions. It will earmark an unspecified sum for transferring,

retraining and finding jobs for the factory's 900 employees. Signetics has a global workforce of about 6,000 people.

Mr James Dykes, president of Signetics, said the Utah factory, which makes chips on three and four-inch wafers rather than on the more advanced six-inch variety, "has been a workhorse for many years, but by today's standards is an almost outdated facility".

## Anglo American mines earn more

By Philip Gawth in Johannesburg

COST containment and forward selling helped the gold mines in the Anglo American group, the world's largest gold producer, record a 13 per cent increase in distributable profits to \$183.3m (\$65.6m) in the December quarter.

The rise in profits came despite severe labour unrest during November at the President Soya mine in the Free State.

Mr Lionel Hewitt, managing director of the gold and uranium division, said the bottom-line cost to Freegold, the umbrella company for the

group's Free State operations, had been about R7m. Production during the quarter dropped to 27,538oz from 28,185oz, but the mine was able to increase distributable profits by 6.4 per cent to R73.2m.

Veal Reef had a successful quarter, with distributable profits up by 29.6 per cent to \$94.4m. Gold production was virtually unchanged at 18,443kg, but total working costs declined by 6 per cent to \$426.5m.

Western Deep Levels failed to repeat the exceptional performance of the September

quarter, with distributable profit dropping to \$25.8m from \$32.2m. It was hit by a drop in gold production, to 10,051kg from 10,404kg, unit working costs rising by 3 per cent to \$24.25 per kg, and a slightly lower gold price received.

Of the other mines, Randam had a good quarter, lifting gold production by 0.3 per cent to 1,857kg. Distributable profit nearly doubled to \$12.2m. Ergo, the dump treatment operation, lifted distributable profit 67 per cent to \$7m.

## Alcoa tumbles 51% to A\$381m

By Kevin Brown in Sydney

ALCOA of Australia, the aluminium, alumina and gold producer, yesterday reported a 51 per cent drop in net profits to A\$381m (US\$222m) for the year to the end of December.

It said the fall was caused by lower prices for alumina, aluminium ingots and gold, higher raw material costs, and the introduction of corporate taxation on gold mining operations.

Much of the decline occurred in the final quarter, when net

profits fell to A\$77.8m, compared with A\$159.2m the previous year. Sales for the year fell by 15 per cent to A\$2.5bn.

The company said its alumina and aluminium facilities operated at record levels throughout the year. However, gold production fell from 163,000 tonnes to 167,000 tonnes, partly because of lower recovery grades.

The directors said the result was "satisfactory" considering the difficult market conditions.

However, they warned the current year would be "challenging" as market conditions continued to deteriorate.

Alcoa is 51 per cent owned by the Alumina Company of America and 49 per cent by Western Mining Corporation, the Australian resources group.

The directors earlier declared a fully-franked final dividend of 24.1 cents a share, equivalent to a return of A\$10m to shareholders.

## Chevron restructure plan cuts 2,500 jobs

By Alan Friedman

CHEVRON, the fourth biggest US oil and gas company, is to cut its workforce by 2,500 people, about 5 per cent, and record a \$270m fourth-quarter charge as part of a restructuring plan.

Mr Ken Derr, Chevron's chairman, said 500 of the 2,500 jobs being eliminated related to the company's refinery in Port Arthur, Texas. The refinery represents about 28 per cent of Chevron's total petroleum refining capacity and its partial or full closure has been under review for some time.

Mr Derr said the company would focus on reducing operating costs. He added that low natural gas prices, poor refining margins and a reduction in demand for petroleum products had hampered Chevron's financial results.

He said a final decision on Port Arthur would be made later this year. Among the options is a complete shut down except for chemicals manufacturing - this would cut about 1,600 jobs. At a minimum the refinery will cut capacity by a third to 200,000 barrels a day.

The other 2,000 Chevron jobs will be eliminated by way of voluntary early retirement, organisational changes and asset sales.

Mr Derr said that \$125m of the \$270m after-tax charges would relate to Port Arthur. If the refinery were shut down Chevron would incur an additional \$100m charge.

Mr Derr announced plans to accelerate Chevron's programme to sell off more of its non-strategic US oil and gas fields. He said new US environmental regulations contained in the Clean Air Act would lead to costs of more than \$10m over the next five years at Chevron's eight US refineries.

In the third quarter of 1991 Chevron's net profit fell by 23 per cent to \$512m.

Deliveries of petroleum products in the US - an important measure of demand - declined by 3 per cent in 1991, according to the American Petroleum Institute (API). The industry association said oil's share of domestic US energy consumption fell to less than 41 per cent in 1991, the lowest level in 40 years.

## Record Intel results beat predictions

By Louise Kehoe in San Francisco

INTEL, the leading maker of computer microprocessor chips, reported strong fourth-quarter results, bringing revenues and earnings for the year to record levels and well above analysts' predictions.

Dr Andrew Grove, president and chief executive, said: "1991 was an extraordinary year for Intel". Revenues for the year rose by 22 per cent to \$4.78bn, up from \$3.92bn in 1990. Net income was \$919m, or \$3.92 a share, compared with \$650m, or \$3.35.

Fourth-quarter results were strong, with revenue of \$1.31bn, up 15 per cent from \$1.05bn for the same period in 1990.

Net income of \$189m, or 90 cents a share, increased from \$184m, or 89 cents, for the fourth quarter of 1990. Wall Street analysts had forecast fourth-quarter earnings of about 84 cents a share.

Intel's success, in spite of a decline in semiconductor sales since the popularity of its microprocessor products, its 486 and 386 microprocessors form the "brain" of most personal computers. For the first time, Intel's international business in 1991 exceeded its US business.

## DISSOLUTION AND LIQUIDATION OF BANK OF CREDIT AND COMMERCE INTERNATIONAL (BCCI) S.A.

25, boulevard Royal in Luxembourg

By an Order of 3 January 1992, the District Court of and in Luxembourg sitting in commercial matters has ordered the dissolution and liquidation of the company BANK OF CREDIT AND COMMERCE INTERNATIONAL (BCCI) S.A., with head offices in Luxembourg, 25, boulevard Roy. L. The Court appointed Mrs Mayse WELTER, Vice-President of the District Court of Luxembourg, as supervising judge and the following as liquidators:

- Brian SMOUHA, chartered accountant, London
- Georges BADEN, attorney-at-law, Luxembourg
- Julien RODEN, attorney-at-law, Luxembourg

The Order provides that the Bank may review commitments from 5 January 1991, which is six months prior to the date of the application to Court for the controlled administration. During the next three months the liquidators will be contacting creditors requesting them to file their proof of claim on a standard form by 30 June 1992.

The Order provides furthermore that the supervising Judge will appoint within a month from the date of the Order a Committee of five creditors to be designated among the main unsecured creditors, domiciled in the Grand-Duchy or outside the Grand-Duchy of Luxembourg.

The Liquidators:

Brian Smouha  
Georges Baden  
Julien Roden

## Extraordinary General Meeting of Securitas AB in Sweden

As previously announced, Securitas AB has concluded agreements regarding the purchase of the security services companies Protec (operating in Germany, Austria, Switzerland and France) and Esabe (operating in Spain). Securitas AB foresees future development, both through growth within the present companies of the group and through acquisitions in the future. In order to strengthen the capital base of Securitas, the Company's Board of Directors proposes a new issue of 5,000,000 series B shares. The shareholders of Securitas AB are hereby invited to attend the Extraordinary General Meeting to be held on Monday 3rd February, 1992, at 10 a.m. at Söderströms, Norrmalmstorg 15, Stockholm, Sweden.

## Right to participate and registration

In order to take part in the Extraordinary General Meeting, shareholders must be registered in the Shareholder's Register maintained by the Swedish Securities Register Centre (Värderegistrationscentralen VPC AB, "VPC"), not later than Friday 24th January 1992. Further, notification of intended participation in the Extraordinary General Meeting has to be given to the Company either by mail, addressed to Securitas AB, Box 12807, S-102 28 Stockholm, Sweden, or by telephone, by calling 08-657 70 00, not later than Thursday 30th January, 1992, at 4.00pm.

The notification shall contain the name, address and personal identity number of the shareholder and information regarding the registered shareholding. Shareholders who have placed the shares in trust with a bank's trust department or a common stockbroker must temporarily re-register the shares in their own names in the shareholders' register maintained by VPC to allow them to participate in the Meeting. Such re-registration must be made not later than Friday 24th January, 1992, and shareholders must in due time prior to the above date notify the bank or stockbroker of the shareholder's wish to re-register the shares.

## Agenda

1. Election of a Chairman to preside at the meeting.
2. Preparation and approval of a voting list.
3. Election of one or two persons to approve the minutes.
4. Examination of whether the meeting has been properly convened.
5. The proposal by the Board of Directors to remove the foreign ownership prohibition clause (6 18) in the Company's Articles of Association, as well as editorial amendments related thereto. The removal of the aforementioned clause - which is subject to the approval by the Swedish government - results in all shares becoming unrestricted.
6. The proposal by the Board of Directors that the Board be authorised, until the next Annual General Meeting, to decide upon a new issue of a maximum of 5,000,000 series B shares. Such issue - which would involve the waiver of the preferential subscription right of the existing shareholders - shall be directed to primarily international investors and to Swedish investors. Such authorisation may, within the stated limitations, be delegated either on one or more occasions.

Upon a decision to make such a new issue being taken, the subscription price of the new shares would be set at a level closely related to the quoted price for the Company's shares of series B on the Stockholm Stock Exchange at the time of such issue. The Board of Directors has the intention to propose that the new issued shares shall be entitled to dividends decided by the Annual General Meeting as from the financial year 1991.

The reasons for waiving the preferential subscription rights of the existing shareholders are to increase the number of international investors in the company in view of the increasing international nature of the Company's commercial activities and the current high level of demand for the Company's shares from international investors and to increase the liquidity of shares in the Company.

Documentation containing full details of the proposal by the Board of Directors regarding the change of the Articles of Association and the authorisation as well as statements pursuant to Chapter 4, paragraph 4 of the Swedish Companies Act will be made available to the shareholders at the Head Office of the Company from Monday, 27th January, 1992, and will, upon request, be sent to shareholders who state their postal address.

Stockholm, January 1992  
The Board of Securitas AB

DAEWOO CORPORATION  
U.S. \$150,000,000  
5 1/2 percent Bonds due 1996  
with WarrantsNOTICE OF SUBSCRIPTION PRICE  
ADJUSTMENT

Notice is hereby given to the warrant-holders of Daewoo Corporation that in accordance with the terms of the Instrument dated 9th December, 1991, the subscription price was decreased from Korean Won 17,860 to Korean Won 17,830 per share effective 23rd December, 1991. This adjustment had resulted from the issue of convertible bonds in the Korean market.

DAEWOO CORPORATION

Banco de la Provincia  
de Buenos Aires  
Grand Cayman Branch

US\$46,700,000  
Par floating rate notes due 2009

US\$42,150,000  
Discount floating rate notes due 2003

For the period 15 January, 1992 to 15 July, 1992 the notes will bear interest as follows:

Par Notes 3.003% per annum.  
Interest payable on 15 July, 1992 will amount to:  
US\$75.91 per US\$5,000 Note  
US\$151.82 per US\$10,000 Note  
US\$1,518.18 per US\$100,000 Note

Discount Notes 5.005% per annum.  
Interest payable on 15 July, 1992 will amount to:  
US\$126.52 per US\$5,000 Note  
US\$253.03 per US\$10,000 Note  
US\$2,530.31 per US\$100,000 Note

Agent: Morgan Guaranty Trust Company  
JPMorgan

ALBERT FISHER FINANCE N.V.  
NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting of ALBERT FISHER FINANCE N.V. ("the Company") will be held at 15 Pietermaats, Curaçao, at 10.00am local time on January 24, 1992.

The meeting is being called to present and adopt the balance sheet and the profit and loss account for the seven months period ended 31 August 1991 and to conduct certain other routine business.

The agenda of the meeting is deposited for the shareholders for inspection at the office of the company at 15 Pietermaats, Curaçao.

By Order of The Board of Managing Directors

U.S. \$100,000,000  
Guaranteed Floating Rate Notes due 1993  
of  
SANWA INTERNATIONAL FINANCE LIMITED

Guaranteed as to payment of Principal and Interest by  
THE SANWA BANK, LIMITED

Notice is hereby given that the Rate of Interest has been fixed at 4.4125% p.a. and that the interest payable on the relevant Interest Payment Date, July 17, 1992, against Coupon No. 9 in respect of U.S.\$100,000 nominal of the Notes will be U.S.\$2,230.78.

January 17, 1992, London  
By Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANK

Appointments  
Advertising

Appear every  
Wednesday &  
Thursday

Friday  
(in the international  
edition only)

£350,000,000  
HALIFAX  
BUILDING SOCIETY

Floating Rate Notes 1995

Interest Rate 10.75%

Interest Period 10th January 1992

Interest Amount due 10th April 1992

£1,000,000 New £25,000,000 Old

£262.28 £1,336.41

Canal Bankers First Branch Limited Agent

U.S. \$125,000,000  
Alaska Housing Finance Corporation  
Floating Rate Notes Due July 2001

Notice is hereby given that the Rate of Interest has been fixed at 4.4125% p.a. and that the interest payable for the current interest period January 17, 1992 to July 17, 1992 on the relevant Interest Payment Date July 17, 1992, in respect of U.S.\$10,000 nominal of the Notes will be U.S.\$223.08.

January 17, 1992, London  
By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANK



## NEW WITS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration No. 050434900)

### INTERIM REPORT

	Year ended 31 December 1991	Year ended 31 December 1990	Year ended 30 June 1991
<b>CONSOLIDATED INCOME STATEMENT</b>			
Revenue	R000	R000	R000
Income from investments	9,747	9,117	18,096
Surplus on realisation of investments	1,243	13,352	14,459
Interest and sundry revenue	8	165	182
<b>Expenditure</b>			
Administration	1,280	2,750	4,127
Exploration	741	783	1,398
Interest	539	744	1,409
<b>Profit before tax</b>	9,718	10,894	28,220
Tax	-	30	28
<b>Profit after tax</b>	9,718	10,864	28,192
Earnings per share - cents	32	85	93
Dividends - per share - cents	17	17	52
- absorbing - R000	5,206	5,206	15,930
- times covered	1.9	3.6	1.9

### CONSOLIDATED BALANCE SHEET

	Year ended 31 December 1991	Year ended 31 December 1990	Year ended 30 June 1991
<b>Investments</b>			
Properties and ventures	181,418	180,075	178,539
Net current liabilities	10,302	11,335	12,933
<b>Current assets</b>			
Less current liabilities	3,548	4,251	3,745
	177,910	168,575	164,741
<b>Share capital</b>			
Reserves	88,425	88,584	88,425
	177,910	168,575	164,741
<b>Investments</b>			
Limited - Market value	406,025	366,099	430,428
- Excess over book value	225,938	187,350	282,215
- Book value	180,087	178,749	178,213
Unlimited - Book value	1,328	1,326	1,326
Number of shares in issue	1,328	1,326	1,326
Unchanged at 30/06/201			
Net assets (as valued)	1,300	1,243	1,452
per share - cents			

### NOTES

1 Dividend A final dividend No. 81 of 35 cents per share, in respect of the year ended 30 June 1991, amounting R10,722,000, was declared on 8 August 1991 and paid on 25 September 1991.  
2 Prospective Profits during the remainder of the financial year remain dependent on the gold price received by those gold mining companies which form a substantial portion of this Company's investments.

**DECLARATION OF INTERIM DIVIDEND**  
Dividend No. 82 of 17 cents per share has been declared in South African currency, payable to members registered at the close of business on 31 January 1992.

Warrants payable on 26 February 1992 will be posted on 25 February 1992. Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the Company. Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the Company on or before 31 January 1992 in accordance with the above-mentioned conditions.

The register of members will be closed from 1 to 7 February 1992, inclusive.

On behalf of the Board,  
A. J. Wright (Chairman) M. R. Fuller-Good Directors

Registered and Head Office  
Gold Fields Building,  
75 Fox Street,  
Johannesburg 2001.

United Kingdom Registrar  
Barclays Registrars,  
Bourne House,  
34 Beckenham Road,  
Beckenham, Kent BR3 4TU.

16 January, 1992

A MEMBER OF THE GOLD FIELDS GROUP

## VOGELSTRAUBSULT METAL HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)  
(Registration No. 050434900)

### PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 31 December 1991	Year ended 31 December 1990
<b>Revenue</b>		
Income from investments	12,033	15,193
Sale of waste rock	-	57
Interest and sundry revenue	509	1,496
<b>Expenditure</b>		
Administration	684	684
<b>Profit before tax</b>	11,858	16,062
Tax	15	445
<b>Profit after tax</b>	11,843	15,617
Unappropriated profit, brought forward	216	235
<b>Less</b>		
Dividends declared:		
Interim 25c (25c)	4,598	4,598
Final 35c (35c)	6,438	5,438
Transfer to general reserve	1,000	4,500
<b>Unappropriated profit, carried forward</b>	43	216
Earnings per share - cents	85	85
Dividends per share - cents	80	80
Times dividends covered	1.1	1.4
Net assets (as valued) per share - cents	1,086	1,031

Dividend No. 90 of 35 cents per share in respect of the year ended 31 December 1991 has been declared in South African currency, payable to members registered at the close of business on 31 January 1992. Warrants payable on 26 February 1992 will be posted on 25 February 1992.

Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the Company.

Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the Company on or before 31 January 1992 in accordance with the above-mentioned conditions.

The register of members will be closed from 1 to 7 February 1992, inclusive.

By order of the Board,  
per pro GOLD FIELDS CORPORATE SERVICES LIMITED,  
London Secretaries,  
S. J. Dunning, Secretary.

United Kingdom Registrar:  
Barclays Registrars,  
Bourne House,  
34 Beckenham Road,  
Beckenham, Kent BR3 4TU.

16 January, 1992

A MEMBER OF THE GOLD FIELDS GROUP

## Treasuries' slide continues despite encouraging data

By Patrick Harverson in New York and Sara Webb in London

### BENCHMARK GOVERNMENT BONDS

	Country	Face Value	Price	Change	Yield	Ask	Bid
AUSTRALIA	10.00	11/01	112.000	-1.250	6.40	6.40	6.37
BELGIUM	8.00	09/01	102.000	-1.300	6.46	6.46	6.40
CANADA	8.00	04/02	102.000	-1.100	6.17	6.17	6.14
DENMARK	0.00	11/00	102.000	-1.130	6.33	6.33	6.31
FRANCE	8.00	11/98	98.100	-0.171	6.72	6.72	6.68
FRANCE	8.00	01/01	102.000	-1.200	6.46	6.46	6.43
GERMANY	0.25	09/01	102.000	-1.250	7.05	7.05	7.04
ITALY	12.00	09/01	98.400	-0.020	12.27	12.27	12.24
JAPAN	No 118	4.00	09/98	98.500	-0.500	6.70	6.67
JAPAN	No 125	8.40	03/00	105.500	-1.181	6.43	6.38
NETHERLANDS	8.00	03/01	100.000	-0.210	6.40	6.41	6.37
SPAIN	11.90	07/98	101.300	-0.100	11.18	11.18	11.17
UK GILT	10.00	11/98	101.300	-0.030	6.88	6.87	6.72
UK GILT	10.00	09/01	105.200	-0.020	6.40	6.40	6.37
US TREASURY	7.00	11/01	108.22	-1.022	7.11	7.11	7.17
US TREASURY	6.00	11/01	108.22	-1.022	7.24	7.24	7.28

London closing. \*Denotes New York market. Source: Reuters. Prices: US, UK in 32nds, others in decimal. Technical Data/ATLAS Price Source

The number was in line with market expectations, although a 0.4 per cent gain in energy prices was bigger than forecast. Overall, though, the news on prices was good and should have provided support for the bond markets.

Bond prices soon turned around, however, partly in response to a 48,000 decline in weekly state unemployment

claims, but mostly because the market does not have the usual, at least for the moment, for further gains.

UK GOVERNMENT bonds rallied strongly on the mortgage rate cuts and unemployment figures announced yesterday. Much of the gain, however, was wiped out as the US Treasury market's fall pulled gilt prices lower.

Trading was mainly futures-driven, with the Life futures contract climbing to a high of 97.50 from its opening of 97.00, before settling at 97.10 in the late afternoon. The volume in the Life futures contract was double the normal

level at 40,000 contracts. The benchmark 11 1/2 per cent gilt due 2008/07 gained nearly half a point at one stage from its opening level of 115 1/2, but fell back to 115 1/4 by late afternoon.

The news that Abbey National and Halifax, the two largest UK mortgage-lenders, were cutting their mortgage rates, and the release of unemployment figures which showed a slowdown in the rate of increase, were both seen by the market as positive for the government.

THE WEAKENING in US Treasury bond prices helped to pull down the European government bond markets, wiping out earlier gains.

In Germany, the cash and futures markets closed lower. The Life bond futures contract, which opened at 88.30, fell from a high of 88.50 to close at 88.10 on a volume of 40,000 contracts. Traders reported strong demand for five-year

bonds earlier in the day, but said the US Treasury bond market's fall prompted considerable volatility towards the close of trading.

In the French market, government bonds fell 1/4 of a point in futures-dominated trading, wiping out the gains made on Wednesday. The March bond futures ended at 108.72, down 3/4 basis points, on a volume of 139,184 lots.

JAPANESE government bonds ended the day unchanged in Tokyo in dull trading. The yield on the benchmark No 105 issue closed at 5.385 per cent, having traded in a range of 5.355-5.415 per cent.

The Bank of Japan drained funds from the money market yesterday on the first day of the new reserve period for banks. The overnight call money rate ended up at 58 per cent, while three-month certificates of deposit remained at 5.28 per cent, traders said.

Other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

The other three - Bangkok Bank, and a Taiwanese bank, are expected to be granted a license. They are: Banque Nationale de Paris, Banque Française du Commerce Extérieur, Crédit Lyonnais and Indosuez.

## Treasuries' slide continues despite encouraging data

By Patrick Harverson in New York and Sara Webb in London

### BENCHMARK GOVERNMENT BONDS

	Country	Face Value	Price
AUSTRALIA		12.000 11/01	113.500
BELGIUM		8.000 09/01	102.000
CANADA		8.000 04/02	102.250
DENMARK		0.000 11/00	102.800
FRANCE	BTAN	8.500 11/98	99.100
FRANCE	OAT	8.500 01/01	102.100
GERMANY		0.25 09/01	102.100
ITALY		12.000 09/01	98.400
JAPAN	No 118	4.000 09/98	98.500
JAPAN	No 125	8.400 03/00	105.500
NETHERLANDS		8.500 03/01	100.000
SPAIN		11.900 07/98	101.300
UK GILTS		10.000 11/98	101.300
UK GILTS		10.000 09/01	105.200
US TREASURY *		7.000 11/01	108.220
US TREASURY *		6.000 11/21	104.000

\* London closing, \* denotes New York morning session



## Further Ecu issues reflect investors' shift to Europe

[illegible]







## UK COMPANY NEWS

## Lower overheads help Stanley edge ahead 6%

By Peggy Hollinger

REDUCED overheads helped Stanley Leisure Organisation, the betting shop, casino and snooker club group, inch ahead in the six months to October 27 1991, with a 6.4 per cent rise in pre-tax profits to £3.7m.

The improvement was struck on turnover just 8.8 per cent higher at £100.8m.

Mr Leonard Steinberg, chairman, said the difficult conditions of the first half were continuing in the second six months, with sales in the casino and racing divisions only marginally ahead of last year.

The casino division, which suffered severely from recession last year, had shown a "modest improvement".

Cost-cutting had helped boost margins, although only slightly, he said.

The spend per head - which in 1989 stood at £100 - was beginning to recover from last year's tumble and averaged about £90 in the first half.

Stanley operates 17 provincial casinos, which contribute roughly 50 per cent of annual profits.

Mr Steinberg said the group had considered buying the 19 Shaks casino - which were taken off the block this week



Leonard Steinberg: 19 Shaks casino too dear

but the £100m price tag had been too high.

Turnover advanced slightly in the racing division, which includes the group's 337 betting shops.

The company said about six of the shops were loss-making. Average bets still languished at last year's levels of £3.39 but margins remained steady.

Since the end of October, Stanley has purchased 25 betting shops for £4m.

The acquisition has pushed up debt, which was £22m at the end of the half. Gearing was just over 30 per cent, Stanley said.

Stanley's four snooker clubs continued to disappoint, and the group said it was prepared to sell the businesses for the right price. It is believed the clubs are making a marginal profit.

The group's loss-making printing business was sold during the six months for a book profit of £347,000.

However, this was offset against a £1.5m extraordinary charge for the goodwill written off on the business when it was purchased in 1988.

The recharging of goodwill through the profit and loss account is the result of accounting standard changes introduced before Christmas.

As a result of the extraordinary charge, the retained profit was down sharply from £1.72m to £155,000. However, Mr Steinberg stressed that, in real terms, "reserves" have increased by about £2.1m.

Earnings per share rose from 6.75p to 7.28p. The interim dividend goes up by 0.1p to 1.9p.

## Finnish zinc move angers Conroy

By Tim Coone in Dublin

MR RICHARD Conroy, chairman and chief executive of Conroy Petroleum, the Irish natural resources company, claimed yesterday that Outokumpu, the Finnish mining group, had tried to obtain 100 per cent control over the marketing of zinc produced from an important ore discovery in Ireland.

Mr Conroy said that Outokumpu "had demanded that the company sign over the marketing of 100 per cent of the ore" in return for technical assistance in making an application for planning permission to develop the 6.2m tonne Galway ore deposit, located 10 miles south-west of Dublin.

"This could not be considered to be in the best interests of the other shareholders" he said.

Mr Graham MacCall, a senior executive of Outokumpu, confirmed yesterday that his company's offer of assistance to Conroy had been turned down, adding that a "commercial price was requested for our services".

Last month, Conroy bought out Atlantic Resources, a struggling oil and gas exploration company in a share-exchange deal valued at £17.7m (£7.2m).

This was widely interpreted as a move to dilute stakes in Conroy's other holdings, Dundee Bankcorp, a banking offshoot of Conroy International, the Canadian mining group.

This provoked anger from Outokumpu and Dundee, which together held just over 50 per cent of Conroy's shares before the Atlantic deal.

The two shareholders then demanded an EGM with the aim of ousting the Conroy board.

The EGM is scheduled for February 8.

Mr MacCall, a director of Dundee, said that their companies will "review" their investment in Conroy, if they fail in their attempt to oust the board.

Mr Conroy said yesterday: "I am prepared to talk with both companies" but claimed that they were trying "to carry out a takeover on the cheap".

Should they decide to pull out of Conroy "it might be healthy for the company" he said.

## Irk some sting on the body corporate

Richard Waters on a kind of greenmail by preference shareholders

IN A quiet backwater of the investment world, there are occasional windfall gains of more than 50 per cent to be made. Yet that has not stopped some investors holding out for more - as Bass, the brewer, is the latest UK company to discover. For opportunists, the returns could be substantial.

The brewery group is seeking to repay preference shareholders with a nominal value of about £2.5m - insignificant in the context of its £570m rights issue last year. Its two long-standing preference share issues, each with more than 3m shares outstanding, are small and troublesome to administer. Like several other UK companies in recent months, Bass has decided these historical issues are no longer worth the effort.

Next Thursday, at its annual meeting in the Queen Elizabeth II Conference Centre in Westminster, holders of the preference shares will be asked to agree.

Step forward the opportu-

nists. Bass's effort to tidy up its balance sheet relies on the agreement of preference stock holders. By withholding that agreement, there is always a chance that Bass, or any other company in the same position, would choose to pay an extra premium to resolve the issue, rather than continue as before. It is a sophisticated, and occasionally effective, form of greenmail.

Even without the additional premium, holding such preference shares can be an attractive proposition. Generally, preference stock trades on a yield of about 10 per cent. When repaid, companies are usually prepared to pay investors a gross redemption (or "exit") yield of between 6 and 6.5 per cent - a level long considered the norm by corporate financiers. It is also one which has proved acceptable to the investment protection committee of investor trade associations like the Association of British Insurers (ABI) and the National Association of Pension Funds.

The sharp reduction in yield (and hence uplift in price of the particular stock) represents a substantial capital gain. Bass' offer is no exception: holders of its 4 per cent cumulative preference shares, for instance, are being offered 57.5p per share - equivalent to an exit yield of 6.5 per cent. The shares were trading at 38p for most of the last half of 1991, according to a circular sent to shareholders.

But is that enough? Bass' articles of association - as with many other companies - require it to repay capital at par (ie, 100p). Some shareholders argue that it should honour that commitment - or at least offer something closer to par than 57.5p.

Mr Richard Male, a small holder of the shares, says that Bass has failed to alert its preference shareholders to their rights under its articles of association. It is not enough to offer less than par, and to justify this as fair simply by reference to the opinion of a merchant bank.

Mr Stephen Cockburn is a specialist in preference shares. He runs three investment trusts within the Aberdeen Trust group and is adamant that Bass is short-changing its preference holders.

Mr Cockburn argues that, where the coupon on a preference issue is low, companies try to repay at a discount to par to keep in the generally accepted 6.5 per cent exit yield range. But where coupons are higher, companies never offer to repay at a premium over par, and so exit yields rise correspondingly above 6.5 per cent. The calculation never works in an investor's favour, always the company's, he says.

The 100,000 shares held by Mr Cockburn's Dase Investment Trust are unlikely to prevent Bass getting shareholder approval to repay the shares at less than par. The ABI, whose members account for the bulk of holders, has already given its approval. But others have experienced problems in the past - and may do so in future.

## Sale by Polly Peck offshoot raises \$24m

By John Murray Brown

IN A further rationalisation of Polly Peck International's Turkish businesses, Vestel, its consumer electronics subsidiary, has raised \$24m (£13m) to fund working capital needs with the sale of its new Istanbul headquarters.

Mr Tahsin Karan, Vestel chairman, confirmed yesterday that Garanti Bank, a privately owned Turkish bank, had bought the company's Maslak building.

This provoked anger from Outokumpu and Dundee, which together held just over 50 per cent of Conroy's shares before the Atlantic deal.

The two shareholders then demanded an EGM with the aim of ousting the Conroy board.

The EGM is scheduled for February 8.

Mr MacCall, a director of Dundee, said that their companies will "review" their investment in Conroy, if they fail in their attempt to oust the board.

Mr Conroy said yesterday: "I am prepared to talk with both companies" but claimed that they were trying "to carry out a takeover on the cheap".

Should they decide to pull out of Conroy "it might be healthy for the company" he said.

Vestel paid \$20m for the property in 1990 as the headquarters for all Polly Peck companies in Turkey.

The sale follows a shake-up of the board in November, and moves to sell a minority stake in the company by the administrators of Polly Peck. Vestel sold 18 per cent of its equity on the Istanbul stock exchange in May.

The company last year secured short-term finance

from a group of banks and a \$10m suppliers credit from Goldenstar of South Korea.

The company is heavily dependent on imported components and has been badly hit by the collapse of Polly Peck, which in the past provided much of Vestel's short-term finance, through letter of credit.

Mr Karan said yesterday the proceeds would not be transferred to the administrators

but used for working capital and to reduce gearing.

He added that the administrators were still looking for a strategic minority partner for Vestel, Turkey's largest exporter of televisions and the third largest domestic white and brown goods producer. However, he ruled out any early sale, particularly given the company's depressed price on the Istanbul stock exchange.

## Bioplan shareholders approve reverse takeover

THE PROPOSED reverse takeover of Bioplan Holdings, the private healthcare company, by Hospital Corporation International of the US was approved by Bioplan shareholders at an extraordinary meeting yesterday.

Bioplan pioneered the setting up of private medical facilities alongside National Health Service hospitals, with which it had partnership agreements.

Its shares were suspended at 44p in November, giving it a market value of £19.3m. The suspension came less than seven months after Bioplan had raised £22.5m in a

rights issue and only four months after it moved up from the USM to the main market.

Dealings in the company's shares, under its new name, Hospital Corporation International Group, will commence today.

Mr Bob Nellist, chairman of Bioplan, is remaining as chairman of the new group. Mr Dennis Sokol of HCI is to become deputy chairman and group chief executive.

Under the deal HCI shareholders will gain initial control of 45 per cent of the enlarged group.

## GOLD FIELDS PROPERTY COMPANY LIMITED

(Incorporated in the Republic of South Africa)  
(Registration No. 9107/0900)

## PRELIMINARY ANNOUNCEMENT OF RESULTS

	Year ended 31 December 1991	Year ended 31 December 1990
Revenue	R900	R000
Income from rent and sale of property	7,818	5,967
Surplus on realisation of investments and fixed assets	8,872	5,981
Interest earned, gold royalties and income from other sources	3,024	5,054
Income from investments	2,095	1,737
	21,809	21,739
Expenditure	2,302	2,794
Administration	2,285	2,368
Interest	7	426
Profit before tax	19,503	18,945
Tax	3,792	6,938
Profit after tax	15,711	12,007
Extraordinary profit	4,745	18,240
Unappropriated profit brought forward	42	57
	20,508	30,304
Less	20,478	30,262
Dividends declared:	21,778	5,112
Interim 18c (18c)	1,840	1,840
Special 163c (-)	16,966	3,272
Final 32c (32c)	3,272	
Transfer (from) to reserves	(1,300)	25,150
Unappropriated profit, carried forward	30	42
Earnings per share - cents	154	117
Dividends per share - cents	218	80
Times dividends covered	0.7	2.3
Net assets (as valued) per share - cents	1,184	1,208

Note: Extraordinary profit. This amount includes the sale of "C" shaft slimes dam less the loss taken when the Ergo shares were distributed as the special dividend.

## DECLARATION OF FINAL DIVIDEND

Dividend No. 138 of 32 cents per share in respect of the year ended 31 December 1991, has been declared in South African currency, payable to members registered at the close of business on 31 January 1992. Warrants payable on 26 February 1992 will be posted on 25 February 1992.

Standard conditions relating to the payment of dividends are obtainable from the share transfer offices and the London Office of the Company. Requests for payment of the dividend in South African currency by members on the United Kingdom register must be received by the Company on or before 31 January 1992 in accordance with the above-mentioned conditions. The register of members will be closed from 1 to 7 February 1992, inclusive.

By order of the Board,  
per pro GOLD FIELDS CORPORATE SERVICES LIMITED,  
London Secretaries,  
S. J. Dunning, Secretary.

United Kingdom Registrar:  
Bourne Registrars,  
Bourne House,  
34 Beckenham Road,  
Beckenham, Kent BR3 4TU.

16 January, 1992

A MEMBER OF THE GOLD FIELDS GROUP

## PACIFIC GROWTH FUND

Sicav  
2, boulevard Royal  
L-2953 Luxembourg  
R.C. Luxembourg B 23332

## DIVIDEND ANNOUNCEMENT

PACIFIC GROWTH FUND will pay a dividend of USD 0.20 per share on the shares outstanding on January 21, 1992.

Shares will be traded ex-dividend as from January 21, 1992.

The payment date will be on January 28, 1992.

The dividend is payable to holders of bearer shares against presentation of coupon no 6 to the following bank:

Banque Internationale à Luxembourg  
2, boulevard Royal  
L-2953 LUXEMBOURG  
Grand-Duchy of Luxembourg

THE BOARD OF DIRECTORS OF  
PACIFIC GROWTH FUND

## Lookers halved to £3.21m as new vehicle sales decline

By Jane Fuller

MOTOR DEALERS are looking for a helping hand from the Budget rather than the Mowat inflicted by the government last year in terms of company car taxation and VAT, according to Mr Ken Martindale, chairman of Lookers.

Pre-tax profits fell 50 per cent to £3.21m (£6.45m) in the year to September 30 as the Manchester-based dealer suffered along with others in the sector from a drop in new car sales from nearly 1m in 1990 to 1.5m last year.

Mr Martindale said: "There will be a recovery because replacement decisions have been deferred. But it depends on the Budget."

"The government might reduce car tax, and it might not have the confidence to increase company car tax and VAT, as it did last year after 15 months of falling sales." He reckoned that new car sales

might recover to between 1.6m and 1.7m this year.

Operating profit fell 22 per cent to £1.1m (£1.42m) on turnover of £359.6m (£370.5m). Interest costs rose to £7.8m (£7.7m).

The group incurred a retained loss of nearly £200,000. Mr Martindale said this was roughly equal to the provision made for deferred taxation following a decision to reduce contract hire.

About £55m of the group's net debt of £40m - gearing of 115 per cent - was related to contract hire. "Debt is a dirty word at the moment," he said. Gearing would be reduced particularly in 1992-93 and the year after.

The main reason for the profit fall was motor distribution, including contract hire, which contributed £5.7m after interest but before head office costs.

The group's leading franchises are Vauxhall and Rover.

New car sales were down in numbers and margin used cars were up on both counts. Servicing and parts advanced and accounted for 70 per cent of group profits, he said.

Conditions were worst in the south-east and Mr Martindale admitted that expansion there could have been better timed - it paid £14m, mainly in convertible preference shares, for SMAC in the summer of 1989.

Profit from caravans - mainly holiday parks - slipped to £487,000 and the loss on agricultural equipment grew to £415,000.

Property gains of £513,000 (£498,000) were taken above the line.

Although earnings per share slid to 2.1p (16.8p), the final dividend is held at 4.3p (a maintained total of 6.2p).

## NEWS DIGEST

is again 2.175p for an unchanged total of 3.855p.

## Hampson still waiting for recovery

Hampson Industries, the West Midlands-based industrial company, said it was still awaiting a recovery as it reported interim pre-tax profits down by 38 per cent.

However, Mr John Wardle, chairman, said the second half should return to normal patterns and show a marked improvement. Though he added that it would owe nothing to any vague hopes of an improvement in the economic scene.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

Profits for the six months to September 30 were £1.62m (£2.64m) on turnover of £37.1m (£36.6m). Earnings per share came out at 1.36p (2.49p) basic or 1.45p (2.39p) diluted and the interim dividend is unchanged at 0.8p.

temporary decrease in the CCTV market size of 15 per cent, meant the group had substantially increased market penetration and turnover for its core security business. Gross margins were being maintained.

SW Wood, the metals trader which recently diversified into packaging and printing with August's acquisition of Proofed Packaging Printers, has made another purchase in the sector.

It has acquired Grange Group, a specialist magazine printer, for an initial £1.37m cash and the issue of 2.34m new ordinary shares. At Wednesday's closing price of 72½p, the aggregate consideration is £2.06m. Further consideration, up to a maximum of £1m, is dependent of Grange's pre-tax profits in 1992 and is payable in cash or shares, as Wood chooses.

Wood is financing the initial cash element of the acquisition with a new £1m loan facility with a clearing and open offer of 3.1m new ordinary shares at 65p apiece to raise £2.1m net. The offer is on a 1-for-2 basis. The balance of the proceeds will increase cash resources.

Grange made pre-tax profits of £278,000 in the nine months to September 30 1991 and net assets were £272,000 at that date. More than half its current turnover derives from regular journal work from publishers such as Euromag, Centaur and International Thomson.

Wood is financing the initial cash element of the acquisition with a new £1m loan facility with a clearing and open offer of 3.1m new ordinary shares at 65p apiece to raise £2.1m net. The offer is on a 1-for-2 basis. The balance of the proceeds will increase cash resources.

Grange made pre-tax profits of £278,000 in the nine months to September 30 1991 and net assets were £272,000 at that date. More than half its current turnover derives from regular journal work from publishers such as Euromag, Centaur and International Thomson.

Wood is financing the initial cash element of the acquisition with a new £1m loan facility with a clearing and open offer of 3.1m new ordinary shares at 65p apiece to raise £2.1m net. The offer is on a 1-for-2 basis. The balance of the proceeds will increase cash resources.

Grange made pre-tax profits of £278,000 in the nine months to September 30 1991 and net assets were £272,000 at that date. More than half its current turnover derives from regular journal work from publishers such as Euromag, Centaur and International Thomson.

Wood is financing the initial cash element of the acquisition with a new £1m loan facility with a clearing and open offer of 3.1m new ordinary shares at 65p apiece to raise £2.1m net. The offer is on a 1-for-2 basis. The balance of the proceeds will increase cash resources.

Grange made pre-tax profits of £278,000 in the nine months to September 30 1991 and net assets were £272,000 at that date. More than half its current turnover derives from regular journal work from publishers such as Euromag, Centaur and International Thomson.

Wood is financing the initial cash element of the acquisition with a new £1m loan facility with a clearing and open offer of 3.1m new ordinary shares at 65p apiece to raise £2.1m net. The offer is on a 1-for-2 basis. The balance of the proceeds will increase cash resources.

Grange made pre-tax profits of £278,000 in the nine months to September 30 1991 and net assets were £272,000 at that date. More than half its current turnover derives from regular journal work from publishers such as Euromag, Centaur and International Thomson.

Wood is financing the initial cash element of the acquisition with a new £1m loan facility with a clearing and open offer of 3.1m new ordinary shares at 65p apiece to raise £2.1m net. The offer is on a 1-for-2 basis



## COMMODITIES AND AGRICULTURE

## Aluminium leads advance in base metals markets

By Kenneth Gooding, Mining Correspondent

THE PRICE of aluminium, which usually leads metals in and out of recessions because it is used in such a wide variety of products, rose steeply again yesterday, recording an advance of 8 per cent in two days.

This triggered rises in other base metals prices on the London Metal Exchange but most analysts suggested the movement was based on technical factors and not by fundamental changes in outlook, which was still grim.

The nickel market did have some news to chew over, however, because a local newspaper in the town of Nikel on the Kola peninsula quoted Mr Boris Yeltsin, the Russian President, as saying the huge nickel complex in the area should be closed because it was uneconomic.

Analysts pointed out that Mr Yeltsin said this should happen after Russia switches to a free market economy and that that could take a very long time. They also doubted whether Russia would easily give up such a large foreign currency earner.

Nickel's three-month price on the LME last night closed \$195 a tonne up at \$207.50. Aluminium's price moved up from \$1,140 a tonne early on Wednesday to a peak of \$1,230 yesterday before easing back to close at \$1,211.50, up \$23. Analysts suggested that commodity investment funds were active in the aluminium market this week and this attracted some speculators.

There was also some selling by producers. Mr Robin Bhar,

analyst at Carr Kitcat & Aitken, part of the Banque Indosuez Group, said this indicated that "aluminium producers feel that the market will get worse before it gets better."

However, Mr Nick Moore, analyst at Ord Minnett, a Western banking group subsidiary, said there were good reasons to believe that, for aluminium, "from here on things don't get worse, they get better." It was typical of aluminium "to recover early and powerfully" from recessions.

The LME said again yesterday it would continue to monitor the zinc market closely because of the technical tightness for metal for delivery in February. But it lifted the 25¢ a tonne daily limit on the copper backwardation imposed on December 3.

## Oil prices rally on hopes of output cuts

By Deborah Hargreaves

OIL PRICES bounced back yesterday as the market was cheered by willingness among producers from the Organisation of Petroleum Exporting Countries to shave output. The price of North Sea Brent crude oil for March delivery was 22¢ a barrel higher at \$18.12½ a barrel.

The market has risen by almost \$2 a barrel so far this week following successive announcements from Opec members that they would cut output. The cuts of some 50,000 barrels a day each are notional, but the co-operation between producers has led the market to hope that agreement will be reached swiftly to make more meaningful cuts at February's meeting.

Nigeria became the latest Opec member to signal its unwillingness to accept lower prices yesterday when oil minister, Mr Ibrahim Aminu, said the country would cut back by 50,000 b/d. Nigeria followed the lead by Venezuela last week and the announcement by Libya on Tuesday that it would cut 30,000 b/d.

Algeria also indicated yesterday it would be willing to make a voluntary cut in output. The oil market is, in part, reacting to uncertainty cast over Algeria's oil sector by the country's political problems and the rise of religious fundamentalism, which could put off western investors.

The smaller producers who called for an emergency Opec meeting when prices tumbled last year, are giving a clear signal to Saudi Arabia, the export leader, that they will co-operate with production cuts. Saudi Arabia, Opec's largest producer, is unwilling to carry the burden of cutting back alone.

Oil prices in New York rose by some 40 cents to \$19.38 a barrel for the March futures contract in late trading yesterday.

## Saudis give green light to NZ sheep

By Kevin Brown in Sydney and Terry Hall in Wellington

NEW ZEALAND appears poised to increase its profitable live sheep trade with Saudi Arabia following successful talks on health regulations with the Saudi government. New Zealand has emerged as the main exporter of live sheep to Saudi Arabia since exports from Australia began to decline in 1989 following Saudi complaints about the health of some animals.

Mr John Falloon, the New Zealand agriculture minister, said the talks had been complex and difficult, but had resulted in an understanding that would allow the trade to continue.

New Zealand sent 1.5m live sheep to Saudi Arabia last year, including 500,000 intended for the Hajj religious festival. Exports are likely to increase this year in the absence of competition from Australia.

The trade has been an important success story for New Zealand farmers at a time when many have suffered financial hardship as a result of falling wool prices, mostly caused by over-production in Australia.

Live sheep have also helped to offset falling Middle East demand for exports of New Zealand sheep, which fell to 43,000 tonnes in 1990-91 compared with 350,000 tonnes

in 1986-87. However, the live sheep trade remains prone to interruption because of Saudi sensitivity to real or perceived health problems, in spite of strenuous New Zealand efforts to guarantee the condition of the animals.

The trade is directly controlled by the New Zealand government, which sends two veterinarians with each shipment.

Officials in Canberra said Australia expected exports to be more geared to lamb production than the fine-wool-oriented Australian industry.

Mr Falloon said relations with Australia's primary industries ministry remained good, in spite of the effective transfer of the Saudi trade from Australia to New Zealand.

Officials in Canberra said Australia expected exports to be more geared to lamb production than the fine-wool-oriented Australian industry.

The live sheep trade was worth about A\$200m in export revenue to Australia at its peak in 1988, of which about half was accounted for by exports to Saudi Arabia. Problems began in 1988, when shipments were rejected after the Saudis claimed some sheep were infected with the deadly disease blue tongue or brucellosis, which causes abortions.

Australian officials claimed blue tongue did not exist in Australia in its clinical form (although the virus which causes it has been detected in some flocks), and pointed out that all the sheep alleged to be suffering from brucellosis were males.

However, Saudi complaints continued, mostly in relation to less serious diseases such as pink eye, a form of conjunctivitis, and scabby mouth, a viral disease which in some circumstances can be contracted by humans.

Officials say Australia is keen to reach an accommodation with Saudi Arabia, but has so far been unable to agree on a health regime that is acceptable to both sides.

Live sheep sales to other Middle East countries have not been affected by the dispute with the Saudis, and Australia remains a major exporter to Kuwait, Qatar, Bahrain and the United Arab Emirates.

Australian Live Sheep Exports (millions, 1989-1991 average)			
	Saudi Arabia	Other Middle East	Total
1989	0.9	3.5	5.7
1990	0.9	2.5	3.5
1991	2.0	3.3	5.4
1990	3.5	3.4	7.0

Source: Australian Government

## Zinc missing from statistics

By Kenneth Gooding

NEARLY 100,000 tonnes of zinc cannot be accounted for by preliminary 1991 statistics drawn up by the International Lead and Zinc Study Group and some of it is likely to show up in stocks early this year.

Already by mid-January London Metal Exchange statistics showed a rise of 6,000 tonnes and the ILZSG points out that this covered only Special High Grade zinc and excluded any warehouse stocks of High Grade or GOB (Good Ordinary Brand) metal, which go unreported.

The organisation also suggests that "consumption in

some countries may prove to be slightly higher than the preliminary assessments when consolidated annual data are fully complete."

Preliminary figures indicate that zinc consumption last year fell by 58,000 tonnes or 1.1 per cent to 5.2m tonnes while both mine and refined metal output advanced to new records: mine production was up by 127,000 tonnes or 2.4 per cent to 5.47m while refined metal moved up by 133,000 tonnes or 2.2 per cent to 5.59m tonnes.

Zinc supply was again swollen by large exports to the west

from the former eastern bloc countries. Net exports rose from 39,000 tonnes in 1990 to 50,000 tonnes.

Taking this into account, total apparent supply exceeded consumption by about 17,000 to 180,000 tonnes. In 1990 there was a supply deficit of 68,000 tonnes.

However, compared with the indicated supply surplus of at least 170,000 tonnes last year, reported stocks at the end of 1991 were up by only 74,000 tonnes to 624,000 tonnes. The ILZSG is now start trawling through the statistics for the "missing" tonnage.

The smaller producers who called for an emergency Opec meeting when prices tumbled last year, are giving a clear signal to Saudi Arabia, the export leader, that they will co-operate with production cuts. Saudi Arabia, Opec's largest producer, is unwilling to carry the burden of cutting back alone.

Oil prices in New York rose by some 40 cents to \$19.38 a barrel for the March futures contract in late trading yesterday.

## US company plans Russian gold search

By Kenneth Gooding

CYPRUS MINERALS, the second-largest US copper producer, hopes to be the first American company to go mining for gold in the newly independent Republic of Russia, writes Kenneth Gooding.

However, Cyprus says suggestions that its Cyprus Gold subsidiary is ready to invest \$50m in a joint venture in Russia's main gold producing region, Magadan in the far east of the Republic, are very wide of the mark.

Mr Michael Rounds, a Cyprus official, said: "We have been negotiating with the Russians since October, 1990, but there is still a great deal of work to be done before we get any agreement. It is certainly much too early to put a dollar amount on any proposal."

He was responding to a report by Russia's Interfax news agency quoting Mr Ilya Rosenthal, president of Geo-

metall, with which Cyprus has been negotiating.

Mr Rosenthal was quoted as saying a joint venture with Cyprus would re-work two gold deposits that had not been very profitable when Soviet methods were used. He said, however, success of the venture would depend on the Russian government allowing Cyprus to keep 30 to 30 per cent of the gold - but the agency gave no indication of expected output.

metall, with which Cyprus has been negotiating.

Mr Rosenthal was quoted as saying a joint venture with Cyprus would re-work two gold deposits that had not been very profitable when Soviet methods were used. He said, however, success of the venture would depend on the Russian government allowing Cyprus to keep 30 to 30 per cent of the gold - but the agency gave no indication of expected output.

## India decides to import wheat

By K.K. Sharma in New Delhi

THE INDIAN government decided yesterday to import 1m tonnes of wheat to bring down the price of the grain in the open market.

Wheat prices have been rising in India despite releases from the official stocks for the public distribution system. This is thought to be because

farmers and distributors have been hoarding stocks.

The surprise decision was taken by the cabinet committee on prices and will mean that India, which is a surplus grain producer, will become an importer again after many years.

India has substantial stocks

of wheat, thought to be over 5m tonnes. This figure is bound to increase with the harvesting of the winter grain crop, which is expected to be bumper one.

The import plan highlights the determination of the government to check inflation, running now at 14 per cent.

## Guyana to meet sugar quota

By Carole James in Kingston

AFTER DECLARING shortfalls on its European Community sugar export quota for the past three years, Guyana expects to meet the 167,000 tonnes in full this year, according to government officials.

The quota, to be delivered by the end of June, will be supplied from a better-than-expected second harvest last year, which yielded 115,000 tonnes, and from this year's first harvest.

## Plunge continues in UK farmers' incomes

By David Blackwell

UK FARM INCOMES plunged by 14 per cent last year to \$1.2bn, according to the Ministry of Agriculture's annual report.

The figure, which reflects income for farmers and their spouses, compares with \$1.5m in 1990 and a peak of more than \$2bn in 1984.

Total income from farming, which includes earnings attributable to partners, directors and other family workers, fell by 6 per cent to \$2.17bn.

Mr John Gummer, the minister of agriculture, said 1991 was not an easy year for British farmers, who continued to face uncertainty over the reform of the Common Agricultural Policy and the Uruguay round of the General Agreement on Tariffs and Trade.

While agricultural productivity continued to rise (by 3 per cent), farm incomes had been hit by increased input prices (up almost 4 per cent) and lower returns (averaging 1 per cent).

Mr David Nisbet, president of the National Farmers' Union, said the report made grim reading.

"These income statistics are

appalling. They not only confirm the downward trend of the past years but bring the industry's real income to its lowest level since the last world war," he said. The fall was all the more worrying because it had occurred in spite of a better harvest in some parts of the country.

The number of full-time farmers continues to fall and now stands at 178,000 compared with 183,000 in 1990. The industry's bank loans and overdrafts stood at \$6.5bn at the end of December 1990, compared with \$6.4bn the year before. But the

fall in interest rates last year reduced interest charges to \$58m from \$1.05m in 1990.

The report says the fortunes of different types of farm across the UK varied considerably. "In most of the country cereal and cropping farms fared relatively well in 1991, but in Scotland the high yields of the previous year have not been repeated and incomes are forecast to fall."

Livestock farm incomes had improved, while those on dairy farms had declined. Pig and poultry farmers had suffered a sharp reduction in prices.

Lamb can only be sold under a generic label - Welsh lamb, Devon lamb - if it is slaughtered in the area.

Forex has grown rapidly since it was set up 5 years ago and now has a turnover of \$100m. It has about a fifth of the New Zealand market and would probably want to use a British food-processing plant for some exports to the EC. A new plant would allow New Zealand not just an entry into Europe but also a foothold in an expanding sector.

## WORLD COMMODITIES PRICES

## MARKET REPORT

Silver closed at the highest level for six months on the London bullion market after a further strong technical rally on Comex. Sustained commission houses and fund chart-based buying on Comex pushed silver through key resistance points at 420 and 425 cents a troy ounce, easily absorbing heavy Middle East selling, dealers said. Analysts said the rally had also been fuelled by sentiment that the US economy is recovering, potentially boosting demand for silver, now widely viewed as an industrial metal. Silver's rise inspired an advance in the London gold market, but stiff technical resistance was hit at \$357 a troy ounce.

Platinum also closed higher in London. Nymex platinum futures were ahead at midday helped by news that South Africa's Impala had said that some expansion plans are threatened by low metal prices and labour disruptions. London cocoa prices closed ahead as sentiment was boosted by the 10.5 per cent rise in the fourth-quarter grind figures. Cumulative Ivory Coast arrivals were reported to be more than 450,000 tonnes by the end of last week but are expected to begin falling away. Chicago wheat prices were again higher at midday, with traders reluctant to sell.

GODDARD - London FOC			
	Close	Previous	High/Low
Mar 747	782	780	782
May 753	790	775	790
Jul 765	787	800	761
Sep 784	810	802	805
Nov 805	844	807	830
Jan 824	875	807	850
Mar 841	892	807	865
May 859	910	807	885
Jul 877	920	807	895
Sep 895	930	807	905
Nov 913	940	807	915
Jan 931	950	807	925
Mar 949	960	807	935
May 967	970	807	945
Jul 985	980	807	955
Sep 1003	990	807	965
Nov 1021	1000	807	975
Jan 1039	1010	807	985
Mar 1057	1020	807	995
May 1075	1030	807	1005
Jul 1093	1040	807	1015
Sep 1111	1050	807	1025
Nov 1129	1060	807	1035
Jan 1147	1070	807	1045
Mar 1165	1080	807	1055
May 1183	1090	807	1065
Jul 1201	1100	807	1075
Sep 1219	1110	807	1085
Nov 1237	1120	807	1095
Jan 1255	1130	807	1105
Mar 1273	1140	807	1115
May 1291	1150	807	1125
Jul 1309	1160	807	1135
Sep 1327	1170	807	1145
Nov 1345	1180	807	1155
Jan 1363	1190	807	1165
Mar 1381	1200	807	1175
May 1399	1210	807	1185
Jul 1417	1220	807	1195
Sep 1435	1230	807	1205
Nov 1453	1240	807	1215
Jan 1471	1250	807	1225
Mar 1489	1260	807	1235
May 1507	1270	807	1245
Jul 1525	1280	807	1255
Sep 1543	1290	807	1265
Nov 1561	1300	807	1275
Jan 1579	1310	807	1285
Mar 1597	1320	807	1295
May 1615	1330	807	1305
Jul 1633	1340	807	1315
Sep 1651	1350	807	1325
Nov 1669	1360	807	1335
Jan 1687	1370	807	1345
Mar 1705	1380	807	1355
May 1723	1390	807	1365
Jul 1741	1400	807	1375
Sep 1759	1410	807	1385
Nov 1777	1420	807	1395
Jan 1795	1430	807	1405
Mar 1813	1440	807	1415
May 1831	1450	807	1425
Jul 1849	1460	807	1435
Sep 1867	1470	807	1445
Nov 1885	1480	807	1455
Jan 1903	1490	807	1465
Mar 1921	1500	807	1475
May 1939	1510	807	1485
Jul 1957	1520	807	1495
Sep 1975	1530	807	1505
Nov 1993	1540	807	1515
Jan 2011	1550	807	1525
Mar 2029	1560	807	1535
May 2047	1570	807	1545
Jul 2065	1580	807	1555
Sep 2083	1590	807	1565
Nov 2101	1600	807	1575
Jan 2119	1610	807	1585
Mar 2137	1620	807	1595
May 2155	1630	807	1605
Jul 2173	1640	807	1615
Sep 2191	1650	807	1625
Nov 2209	1660	807	1635
Jan 2227	1670	807	1645
Mar 2245	1680	807	1655
May 2263	1690	807	1665
Jul 2281	1700	807	1675
Sep 2299	1710	807	1685
Nov 2317	1720	807	1695
Jan 2335	1730	807	1705
Mar 2353	1740	807	1715
May 2371	1750	807	1725
Jul 2389	1760	807	1735
Sep 2407	1770	807	1745
Nov 2425	1780	807	1755
Jan 2443	1790	807	1765
Mar 2461	1800	807	1775
May 2479	1810	807	1785
Jul 2497	1820	807	1795
Sep 2515	1830	807	1805
Nov 2533	1840	807	1815
Jan 2551	1850	807	1825
Mar 2569	1860	807	1835
May 2587	1870	807	1845
Jul 2605	1880	807	1855
Sep 2623	1890	807	1865
Nov 2641	1900	807	1875
Jan 2659	1910	807	1885
Mar 2677	1920	807	1895
May 2695	1930	807	1905
Jul 2713	1940	807	1915
Sep 2731	1950	807	1925
Nov 2749	1960	807	1935
Jan 2767	1970	807	1945
Mar 2785	1980	807	1955
May 2803	1990	807	1965
Jul 2821	2000	807	1975
Sep 2839	2010	807	1985
Nov 2857	2020	807	1995
Jan 2875	2030	807	2005
Mar 2893	2040	807	2015
May 2911	2050	807	2025
Jul 2929	2060	807	2035
Sep 2947	2070	807	2045
Nov 2965	2080	807	2055
Jan 2983	2090	807	2065
Mar 3001	2100	807	2075
May 3019	2110	807	2085
Jul 3037	2120	807	2095
Sep 3055	2130	807	2105
Nov 3073	2140	807	2115
Jan 3091	2150	807	2125
Mar 3109	2160	807	2135
May 3127	2170	807	2145
Jul 3145	2180	807	2155
Sep 3163	2190	807	2165
Nov 3181	2200	807	2175
Jan 3199	2210	807	2185
Mar 3217	2220	807	2195
May 3235	2230	807	2205
Jul 3253	2240	807	2215
Sep 3271	2250	807	2225
Nov 3289	2260	807	2235
Jan 3307	2270	807	2245
Mar 3325	2280	807	2255
May 3343	2290	807	2265
Jul 3361	2300	807	2275
Sep 3379	2310	807	2285
Nov 3397	2320	807	2295
Jan 3415	2330	807	2305
Mar 3433	2340	807	2315
May 3451	2350	807	2325
Jul 3469	2360	807	2335
Sep 3487	2370	807	2345
Nov 3505	2380	807	2355
Jan 3523	2390	807	2365
Mar 3541	2400	807	2375
May 3559	2410	807	2385



**Weekend FT**  
Saturday January 18



© 2006 Pearson Education, Inc. All rights reserved. Printed in the United States of America. This publication is protected by copyright. Any unauthorized reproduction or distribution, in any form or by any means, without written permission from Pearson Education, Inc., is prohibited. All trademarks are the property of their respective owners.

هكذا من الأهل



\_\_\_\_\_

Proc	$\phi_{22}$	1991/92	1961/62	VA
517.5	167	170	362.9	5.0
528	167	170	362.9	5.0
538	167	170	362.9	5.0
548	167	170	362.9	5.0
558	167	170	362.9	5.0
568	167	170	362.9	5.0
578	167	170	362.9	5.0
588	167	170	362.9	5.0
598	167	170	362.9	5.0
608	167	170	362.9	5.0
618	167	170	362.9	5.0
628	167	170	362.9	5.0
638	167	170	362.9	5.0
648	167	170	362.9	5.0
658	167	170	362.9	5.0
668	167	170	362.9	5.0
678	167	170	362.9	5.0
688	167	170	362.9	5.0
698	167	170	362.9	5.0
708	167	170	362.9	5.0
718	167	170	362.9	5.0
728	167	170	362.9	5.0
738	167	170	362.9	5.0
748	167	170	362.9	5.0
758	167	170	362.9	5.0
768	167	170	362.9	5.0
778	167	170	362.9	5.0
788	167	170	362.9	5.0
798	167	170	362.9	5.0
808	167	170	362.9	5.0
818	167	170	362.9	5.0
828	167	170	362.9	5.0
838	167	170	362.9	5.0
848	167	170	362.9	5.0
858	167	170	362.9	5.0
868	167	170	362.9	5.0
878	167	170	362.9	5.0
888	167	170	362.9	5.0
898	167	170	362.9	5.0
908	167	170	362.9	5.0
918	167	170	362.9	5.0
928	167	170	362.9	5.0
938	167	170	362.9	5.0
948	167	170	362.9	5.0
958	167	170	362.9	5.0
968	167	170	362.9	5.0
978	167	170	362.9	5.0
988	167	170	362.9	5.0
998	167	170	362.9	5.0

1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0

[illegible][illegible]

**Share Prices**

are available on FT  
quoted at 48p per minute  
ask, inc VAT.  
share Code Booklet ring



[illegible][illegible][illegible]



● Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak, inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 825-2128.

Continued on next page



● Current Unit Trust prices are available on FT Cityline. Calls charged at 48p per minute peak and 36p off peak inc VAT. To obtain your free Unit Trust Code Booklet ring (071) 925-2128.

هكذا من الأهل



[illegible]



## CURRENCIES, MONEY AND CAPITAL MARKETS

## FOREIGN EXCHANGES

## Dollar holds on to new gains

The dollar shook off profit-taking pressures yesterday to retain most of the gains made in its spectacular rally on Tuesday and Wednesday, writes Simon London.

In Far Eastern trading the dollar began to slip back from the high levels seen in New York on Wednesday, as some dealers took profits on long dollar positions held since last week.

However, there was support around the DM1.6150 and Y127.50 levels as operators with an optimistic view of the prospects for the US currency stepped in. By the close in Tokyo, the US unit stood at DM1.6225, from DM1.6235 in New York, and Y128.43, from Y128.55.

However, selling pressures again emerged in early European trading. The dollar was pushed down to DM1.6065 and Y127.65 at one stage before rebounding.

In addition to profit taking pressures, traders said rumors that the Group of Seven industrial countries will intervene to cap the rapid appreciation of the dollar had blunted positive sentiment.

Yet no central bank intervention was forthcoming and central banking sources made no overt comments on currency rates. By mid-morning in London, the US unit had been

pushed back up over DM1.6150 and Y128, levels maintained through most of the afternoon session.

The dollar dipped briefly on the announcement of US inflation data for December which was broadly in line with expectations but underlined that the monetary authorities have room to lower interest rates again.

The consumer price index rose 0.3 per cent in the month, against expectations of a 0.2 per cent rise, bringing inflation to a year-on-year rate of 3.1 per cent for the whole of 1981, from 6.1 per cent in 1980.

The dollar closed in London at DM1.6185, from DM1.6230 on Wednesday, and Y128.30 from Y128.55.

Analysts said that the US currency is now constrained within a DM1.6200 to DM1.60 range, with little clear direction. The rally last week and this week was driven largely

by technical trading by intermediaries, with little change in the underlying economic fundamentals. Until some more conclusive economic data is released, the prospects for the dollar will remain clouded.

Within the European exchange rate mechanism, sterling remained the weakest currency, pinned to the outer limit of its permitted divergence from the Spanish peseta, the strongest currency.

Sterling traded within a narrow range between DM2.8450 and DM2.85 for most of the day, pushing up above DM2.85 in late afternoon and closing at DM2.85 exactly, from DM2.8475 on Wednesday.

However, this remained only just above the UK currency's effective floor within the ERM. The Spanish currency also appreciated slightly against the D-Mark, closing at Ptas.63.49 from Ptas.63.45 on Wednesday, lifting the floor for sterling.

**EMS EUROPEAN CURRENCY UNIT RATES**

Currency	Unit	Rate	% Change	% Daily	% Weekly	% Monthly
French Franc	100	133.61	-0.05	-0.05	-0.05	-0.05
German Mark	100	2.3645	-0.01	-0.01	-0.01	-0.01
Italian Lira	1,000	2,036.26	-0.01	-0.01	-0.01	-0.01
Spanish Peseta	100	166.64	-0.01	-0.01	-0.01	-0.01
Portuguese Escudo	100	200.48	-0.01	-0.01	-0.01	-0.01
Belgian Franc	100	36.36	-0.01	-0.01	-0.01	-0.01
Dutch Guilder	100	3.6033	-0.01	-0.01	-0.01	-0.01
Swiss Franc	100	2.0048	-0.01	-0.01	-0.01	-0.01
Austrian Schilling	100	13.7603	-0.01	-0.01	-0.01	-0.01
Irish Punt	100	7.8756	-0.01	-0.01	-0.01	-0.01
UK Pound	100	1.6185	-0.01	-0.01	-0.01	-0.01

For central rates set by the European Commission. Currencies are denominated relative strength. Percentage change for the day, a positive change denotes a rise against the unit. Percentage change for the week, a positive change denotes a rise against the unit. Percentage change for the month, a positive change denotes a rise against the unit. All rates are as of Jan 16, 1982.

**STERLING INDEX**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**CURRENCY MOVEMENTS**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**DOLLAR SPOT - FORWARD AGAINST THE DOLLAR**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**EURO CURRENCY INTEREST RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**EXCHANGE CROSS RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**OTHER CURRENCIES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**FT LONDON INTERBANK FIXING**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**LONDON MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**FT LONDON INTERBANK FIXING**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**LONDON MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**FT LONDON INTERBANK FIXING**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**LONDON MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**FT LONDON INTERBANK FIXING**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**LONDON MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**FT LONDON INTERBANK FIXING**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**LONDON MONEY RATES**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00

**FT LONDON INTERBANK FIXING**

Jan 16	Jan 15	Jan 14	Jan 13	Jan 12
100.00	100.00	100.00	100.00	100.00
100.00	100.00	100.00	100.00	100.00



[illegible][illegible]

NEW YORK DOW JONES										1991/92									
	Jan 18	Jan 14	Jan 11	Jan 10	1991/92	Stock completion			Jan 18	Jan 14	Jan 11	Jan 10	HIGH	LOW					
						HIGH	LOW												
Alemania	328.00	314.00	338.00	319.00	328.00	329.00	312.25	AUSTRALIA	167.5	167.5	168.5	166.75	166.5	166.75					
Canada	99.41	99.27	99.33	99.34	99.41	99.41	99.39	Belgium	497.2	497.2	498.5	498.5	498.5	498.5					
France	1387.43	1387.33	1384.16	1383.85	1387.43	1387.43	1387.43	Denmark	1148.92	1148.92	1148.92	1148.92	1148.92	1148.92					
Germany	214.07	215.32	215.31	215.07	214.07	214.07	214.07	Finland	362.95	362.95	362.95	362.95	362.95	362.95					
Italy	3391.19	3391.19	3391.19	3391.19	3391.19	3391.19	3391.19	France	563.01	563.01	563.01	563.01	563.01	563.01					
Japan	1267.74	1267.74	1267.74	1267.74	1267.74	1267.74	1267.74	Germany	1070.74	1070.74	1070.74	1070.74	1070.74	1070.74					
UK	259.99	259.99	259.99	259.99	259.99	259.99	259.99	Italy	1647.50	1647.50	1647.50	1647.50	1647.50	1647.50					
US	3047.00	3047.00	3047.00	3047.00	3047.00	3047.00	3047.00	Japan	1412.34	1412.34	1412.34	1412.34	1412.34	1412.34					
Sweden	144.86	144.86	144.86	144.86	144.86	144.86	144.86	UK	1442.34	1442.34	1442.34	1442.34	1442.34	1442.34					
Switzerland	144.86	144.86	144.86	144.86	144.86	144.86	144.86	US	1442.34	1442.34	1442.34	1442.34	1442.34	1442.34					
Taiwan	144.86	144.86	144.86	144.86	144.86	144.86	144.86	Sweden	144.86	144.86	144.86	144.86	144.86	144.86					
Thailand	144.86	144.86	144.86	144.86	144.86	144.86	144.86	Switzerland	144.86	144.86	144.86	144.86	144.86	144.86					
Turkey	144.86	144.86	144.86	144.86	144.86	144.86	144.86	Taiwan	144.86	144.86	144.86	144.86	144.86	144.86					
Yugoslavia	144.86	144.86	144.86	144.86	144.86	144.86	144.86	Thailand	144.86	144.86	144.86	144.86	144.86	144.86					
								Yugoslavia	144.86	144.86	144.86	144.86	144.86	144.86					

[illegible]

	Stocks	Closing	Change		Stocks	Closing	Change
	Traded	Prices	on day		Traded	Prices	on day
Telcelmex	8.1m	1,080	-180	Chrysler	2.8m	\$50	+4
Toyota Int.	6.7m	864	-27	Hessco	2.8m	910	+30
Toyota Tractor	300	+12		3M Corp.	2.7m	880	+40
Clelon	3.8m	630	-100	Japani Storage	2.6m	885	-50
Nippon Steel	3.5m	550	-4	Mineral Co.	2.5m	877	-35

**Swiss hospitality  
Swiss service  
Swiss cuisine  
Swiss timing  
and  
The Financial Times  
when you travel Business Class with  
Swissair**

**Ask your cabin attendant  
for a complimentary copy**

**FINANCIAL TIMES**  
EUROPE'S BUSINESS NEWSPAPER



## NEW YORK STOCK EXCHANGE COMPOSITE PRICES



**NASDAQ NATIONAL MARKET**

3:00 pm prices - January 16

[illegible]

## 3:00 am prices January 18

[illegible]

Enjoy reading your

Enjoy reading your  
first copy of the

*when you are at the*

*when you are at the*

JOE IV  LIOTTE

**JOLLY HOTEL**

## DU GRAND SABLON

**BRIEFING**

BRUSSELS  
Tel. (32) (2) 510 88 00 Fax (32) (2) 512 67

**FINANCIAL TIMES**

**EUROPE'S BUSINESS NEWSPAPER**

**There is only one way  
to be sure of getting  
your own copy of the  
Financial Times  
every day...  
A subscription**

Ring ISTANBUL (1) 5120190  
- 20 lines - ext. 211 & 212 -  
or Fax your requirement  
to (1) 5306457 and ask for  
your own Financial Times.



**Dünya Sığır Derisi  
Ticaret ve Sanayi A.Ş.**

Start every working day  
fully briefed and alert  
to all the issues that affect  
your market and business...



THE NEW YORK TIMES  
EUROPE'S BUSINESS NEWSPAPER



## AMERICA

## Equities decline despite good news on economy

## Wall Street

PROFIT-TAKING was the order of the day on US stock markets yesterday morning, as share prices tumbled across the board despite good news on inflation and employment, writes Patrick Harrison in New York.

By 1 pm the Dow Jones Industrial Average was down 10.74 at 3,247.76, but above its mid-morning lows when the index was more than 30 points weaker. The more broadly based Standard & Poor's dropped 3.15 to 417.63 by 1 pm, while the Nasdaq composite of over-the-counter stocks fell 4.09 to 225.72. Turnover on the New York Stock Exchange was again heavy at 218m shares.

The day's economic news should have spelled further gains for the market. The Labor Department reported a rise of just 0.3 per cent in consumer prices during December, further proof that inflation is not a threat to the economy, and announced that 49,000 less people claimed state unemployment insurance during the first week of January 1992.

The economic data, however, failed to lift prices, primarily because investors were intent yesterday either on realising some of the profits they have earned in the recent rally, or in shifting funds within the market, leaving some big sectors,

notably drugs, sharply weaker. Among the drug companies to take a hit for the second day running were Merck, down 4% at \$151.10, Upjohn, 1% lower at \$44, Pfizer, down 2% at \$76.40, Schering-Plough, 3% lower at \$61.40, and the ADRs of Glaxo, 1% weaker at \$31.40. Some of the money removed

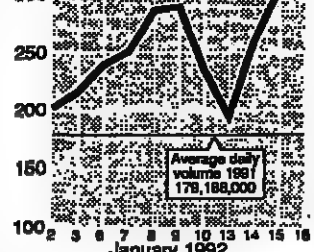
after recording fourth quarter income of 90 cents a share, up from the 80 cents a share earned a year earlier and above analysts' forecasts.

AST Research was also higher on good earnings news, climbing 2% to \$22 in heavy trading after reporting fiscal second quarter profits of 52 cents a share, slightly higher than market estimates.

Leading OTC stocks were mostly lower, with MicroSoft down 1% at \$129.40, Sun Microsystems 1% weaker at \$33.40, and Amgen, down 4% at \$68.40.

NYSE volume

Daily (million)



from drug stocks shifted into cyclical, lifting Caterpillar 1% to \$46.40, USX Steel 2% to \$28.40, Bethlehem Steel 1% to \$18.40, and Aluminum Company of America 1% to \$68.40. Paper stocks were also in favour, with Chesapeake Corp up 2% at \$27.40, aided by a series of brokers' recommendations, and International Paper up 1% at \$73.40.

On the over-the-counter market, Intel jumped 3% to \$69.40.

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

Among active stocks, Nova Corp rose 2% to C\$7.40, and Rogers Communications B was steady at C\$14.40. Ocelot Industries fell 2% to C\$11.40, and Lac Minerals rose 2% to C\$9.40.

Canada

TORONTO slipped from the day's highs but held on to slight gains at midday as the market consolidated its recent upswing. The TSE 300 composite index rose 0.6 to 3,663.4, just ahead of the 3,660 level at 3:55 pm. Advancing issues led declines by 290 to 230. Volume was moderately heavy at 23.41m shares valued at C\$27.5m.

Cyclical shares were in favour, with Inco rising 3% to C\$38.40, and Alcan Aluminum gaining 2% to C\$25.40.

## European leisure sector's high-profile trio

Michael Skapinker, Leisure Industries Correspondent, looks at share price prospects

A GROUP of 16 disgruntled French building contractors alleged this week that Euro Disney, the theme park operator, owed them FF650m (\$155m) in unpaid bills.

Euro Disney shares shrugged off the allegation to close last night at FF147.5, within squeaking distance of their all-time high of FF153 on January 3. Over the past five months Euro Disney has outperformed the French market by about 30 per cent.

Analysts disagree on the commercial prospects for the theme park, which is due to open on a 5,000-acre complex east of Paris on April 12. There is agreement on one point, however: the time to take profits is fast approaching.

Analysts think the hype leading up to the opening of Euro Disney could lift the shares still further, but Ms Anita Hibbert of Smith New Court points out that the stock is on a prospective price-earnings ratio of close to 100.

Some analysts worry that if there are early organisational or teething problems, this could set the park back. They also fret about the effects of the cold Parisian winter and unreliable summer.

Ms Hibbert is among the Euro Disney optimists, in spite of having visited the site in December when visibility was only 30 yards. She argues that the novelty factor will boost winter attendance, if only in the first year.

Investors interested in a more established profits record might want to look at PolyGram, the London-based music company whose shares are traded in Amsterdam and New York.

Only 20 per cent of the shares are publicly traded, the rest being owned by Philips, the Dutch electronics giant. There has been speculation that Philips might want to reduce its holding, but given that PolyGram is one of the

troubled group's star performers, analysts do not expect that to happen soon.

PolyGram - whose artists include Luciano Pavarotti, Sting, Dire Straits and U2 - reported a 24.6 per cent rise in net income to FF147m in the first half of last year, in spite of the economic downturn in the UK and the US.

Following the recent decision of retailers, such as WH Smith in the UK, to stop selling records, the relentless rise of CDs appears to be good news for companies like PolyGram. Mr Bert Jansen of Paribas Capital Markets cautions, however, that the rate of growth of CDs will probably slow with increasing market penetration in the developed countries.

Turning back to France, and its hotel group, Accor, Mr Dominique Carrel of Paribas says that the acquisition of Wagons-Lits, the Belgian tourism and travel group, will lead to short-term weakness, since the early days will probably require substantial restructuring. However, there is scope for management improvement at Wagons-Lits and the longer term outlook is seen as good.

Analysts think the hype leading up to the opening of Euro Disney could lift the shares still further, but Ms Anita Hibbert of Smith New Court points out that the stock is on a prospective price-earnings ratio of close to 100.

Some analysts worry that if there are early organisational or teething problems, this could set the park back. They also fret about the effects of the cold Parisian winter and unreliable summer.

Ms Hibbert is among the Euro Disney optimists, in spite of having visited the site in December when visibility was only 30 yards. She argues that the novelty factor will boost winter attendance, if only in the first year.

Investors interested in a more established profits record might want to look at PolyGram, the London-based music company whose shares are traded in Amsterdam and New York.

Only 20 per cent of the shares are publicly traded, the rest being owned by Philips, the Dutch electronics giant. There has been speculation that Philips might want to reduce its holding, but given that PolyGram is one of the

troubled group's star performers, analysts do not expect that to happen soon.

PolyGram - whose artists include Luciano Pavarotti, Sting, Dire Straits and U2 - reported a 24.6 per cent rise in net income to FF147m in the first half of last year, in spite of the economic downturn in the UK and the US.

Following the recent decision of retailers, such as WH Smith in the UK, to stop selling records, the relentless rise of CDs appears to be good news for companies like PolyGram. Mr Bert Jansen of Paribas Capital Markets cautions, however, that the rate of growth of CDs will probably slow with increasing market penetration in the developed countries.

Turning back to France, and its hotel group, Accor, Mr Dominique Carrel of Paribas says that the acquisition of Wagons-Lits, the Belgian tourism and travel group, will lead to short-term weakness, since the early days will probably require substantial restructuring. However, there is scope for management improvement at Wagons-Lits and the longer term outlook is seen as good.

Analysts think the hype leading up to the opening of Euro Disney could lift the shares still further, but Ms Anita Hibbert of Smith New Court points out that the stock is on a prospective price-earnings ratio of close to 100.

Some analysts worry that if there are early organisational or teething problems, this could set the park back. They also fret about the effects of the cold Parisian winter and unreliable summer.

Ms Hibbert is among the Euro Disney optimists, in spite of having visited the site in December when visibility was only 30 yards. She argues that the novelty factor will boost winter attendance, if only in the first year.

Investors interested in a more established profits record might want to look at PolyGram, the London-based music company whose shares are traded in Amsterdam and New York.

Only 20 per cent of the shares are publicly traded, the rest being owned by Philips, the Dutch electronics giant. There has been speculation that Philips might want to reduce its holding, but given that PolyGram is one of the

troubled group's star performers, analysts do not expect that to happen soon.

PolyGram - whose artists include Luciano Pavarotti, Sting, Dire Straits and U2 - reported a 24.6 per cent rise in net income to FF147m in the first half of last year, in spite of the economic downturn in the UK and the US.

Following the recent decision of retailers, such as WH Smith in the UK, to stop selling records, the relentless rise of CDs appears to be good news for companies like PolyGram. Mr Bert Jansen of Paribas Capital Markets cautions, however, that the rate of growth of CDs will probably slow with increasing market penetration in the developed countries.

Turning back to France, and its hotel group, Accor, Mr Dominique Carrel of Paribas says that the acquisition of Wagons-Lits, the Belgian tourism and travel group, will lead to short-term weakness, since the early days will probably require substantial restructuring. However, there is scope for management improvement at Wagons-Lits and the longer term outlook is seen as good.

Analysts think the hype leading up to the opening of Euro Disney could lift the shares still further, but Ms Anita Hibbert of Smith New Court points out that the stock is on a prospective price-earnings ratio of close to 100.

Some analysts worry that if there are early organisational or teething problems, this could set the park back. They also fret about the effects of the cold Parisian winter and unreliable summer.

Ms Hibbert is among the Euro Disney optimists, in spite of having visited the site in December when visibility was only 30 yards. She argues that the novelty factor will boost winter attendance, if only in the first year.

Investors interested in a more established profits record might want to look at PolyGram, the London-based music company whose shares are traded in Amsterdam and New York.

Only 20 per cent of the shares are publicly traded, the rest being owned by Philips, the Dutch electronics giant. There has been speculation that Philips might want to reduce its holding, but given that PolyGram is one of the

troubled group's star performers, analysts do not expect that to happen soon.

PolyGram - whose artists include Luciano Pavarotti, Sting, Dire Straits and U2 - reported a 24.6 per cent rise in net income to FF147m in the first half of last year, in spite of the economic downturn in the UK and the US.

Following the recent decision of retailers, such as WH Smith in the UK, to stop selling records, the relentless rise of CDs appears to be good news for companies like PolyGram. Mr Bert Jansen of Paribas Capital Markets cautions, however, that the rate of growth of CDs will probably slow with increasing market penetration in the developed countries.

Turning back to France, and its hotel group, Accor, Mr Dominique Carrel of Paribas says that the acquisition of Wagons-Lits, the Belgian tourism and travel group, will lead to short-term weakness, since the early days will probably require substantial restructuring. However, there is scope for management improvement at Wagons-Lits and the longer term outlook is seen as good.

Analysts think the hype leading up to the opening of Euro Disney could lift the shares still further, but Ms Anita Hibbert of Smith New Court points out that the stock is on a prospective price-earnings ratio of close to 100.

Some analysts worry that if there are early organisational or teething problems, this could set the park back. They also fret about the



## RECRUITMENT

## JOBS: Study casts doubt on the usefulness of performance-pay schemes for executives

## A good way of demotivating the majority

THEY'RE like illicit love affairs... or so I'm told, anyway," said Derek Torrington of University of Manchester Institute of Science and Technology. "When you're not personally involved in one, you feel you're missing out on something marvellous. When you are involved, you spend most of the time being miserable."

What the UMIST professor was talking about was performance-related pay schemes for higher-ranked staff, which used to be called incentive-pay systems. And by the end of his session at the British Psychological Society's conference the other day, he and his audience had shed light on the reasons for the change of title. For one thing, some 80 per cent of those present felt that, in general, such schemes had more of a demotivating effect than the opposite.

Derek Torrington has studied their workings in eight big business groups in Japan. Although he may not name them, they comprise one each in chemicals, oil, specialised electronics, water-supply, telecommunications, computers, plus a bank and a conglomerate.

One of his findings is that the schemes are apt to be inflationary. When the company decided to install them, the usual prediction had been that they would add 3 to 6 per cent to the relevant payroll. As things turned out, the increases ran into double digits in several cases, and in one of them was no less than 27 per cent.

The unexpectedly high expense was

perhaps the main reason why all the groups remained firmly committed to the schemes as an important part of policy. For the commitment could scarcely be explained by the way they were working. Of the eight, only one could honestly say that its scheme was successful.

The professor suspects that whether such devices work hinges decisively on company culture. For instance, the successful one was in the computer group marked by sales-orientation of a strength far more often found in the United States than the United Kingdom. Moreover, the fact that pay should depend much on performance-measures is a fundamental principle of the company's philosophy.

"If that's what everyone believes, you're maybe OK," he said. "But otherwise you can easily raise the spectre of unfairness."

In a real pay-by-performance culture, employees presumably see themselves as resembling market traders. In Britain if not Europe generally, however, most people expect something different from employment. Derek Torrington illustrated the difference by contrasting his efforts as an author of books on management - he has at least partly written 25 of them - with his work as an academic. In his author's role, he would never think it

unfair that popular novelists should make so much more money out of the activity. But he might well be aggrieved to find the same was true of his fellow professors.

What's more, the bulk of the schemes included so-called performance criteria that certainly did not reduce the risk of raising the spectre of unfairness.

The bank was the most eccentric in dishing out the performance pay in advance on estimates of staff's likely achievements over the next 12 months. True, there was machinery for adjustments the following year in the event of shortfall. But the mechanism was apparently not often used. And while the rest waited for results to happen before rewarding them, their measures of what constituted above-average achievement were sometimes questionable to say the least. In the conglomerate, for example, managers in the £20,000 salary range were receiving performance bonuses for being punctual.

So it is perhaps hardly surprising that seven of the eight schemes studied had proved less than a resounding success. Indeed it may even be, as a member of the audience suggested, that with only rare exceptions the effect of performance-pay schemes is to demotivate the few at the cost of demotivating the many.

NOW to the table below which shows a sample of the international living-costs indicators drawn up by the P-E International management consultancy. Anyone wanting the full survey, which gives data on many more places than the 60 I have room for and costs £300, should contact Simon McBride of P-E at Park House, Wick 12, Egham, Surrey TW20 0HW; tel 0784 434411, fax 0784 437828.

The cost indices in all cases refer to particular cities as distinct from entire countries, and are based on London prices at 100. Since the survey takes time to compile, its findings are not bang up to date. The actual levels reflected by the indices are those prevailing last October. The currency exchange-rates are those of the same date, but the inflation rates are the latest P-E could obtain from official

sources before the survey went to press. Unfortunately, since nobody seems able to devise an internationally consistent gauge of housing costs, no account of them is taken in the indices.

Otherwise, they should be a tolerably approximate guide, not least because prices tend to stay fairly stable and so can be updated for currency fluctuations.

The adjustment is made by taking the exchange rate shown in the table, dividing it by the latest market rate, and then multiplying the result by the index figure.

Michael Dixon

Place	Living cost index	Inflation %	Exch'g rate £1 =	Place	Living cost index	Inflation %	Exch'g rate £1 =
Japan, Tokyo	145.3	2.7	232.75	Ireland, Dublin	96.8	3.5	1.09
Norway, Oslo	128.6	3.3	11.40	Taiwan, Taipei	95.6	5.1	46.48
Sweden, Stockholm	124.2	10.7	10.72	USA, New York	95.2	3.4	1.75
Finland, Helsinki	121.0	3.7	7.10	Germany, Frankfurt	94.9	3.5	2.92
Congo, Brazzaville	120.9	2.2	496.25	Barbados, Bridgetown	93.3	5.6	3.52
Switzerland, Zurich	111.8	5.7	2.54	Andorra	91.8	1.0	4.73
Libya, Tripoli	111.4	4.4	0.50	Canada, Toronto	91.3	5.4	1.58
Denmark, Copenhagen	111.0	1.8	11.24	Australia, Sydney	90.8	3.9	2.19
Ivory Coast, Abidjan	110.3	-1.3	496.25	Oman, Muscat	89.3	1.6	0.68
Italy, Milan	105.9	6.1	2,179.75	Luxembourg	89.3	3.2	60.00
Liberia, Monrovia	103.5	4.5	1.75	Netherlands, Amsterdam	88.0	4.4	3.29
Belarus, Minsk	101.8	8.1	1.75	Cuba, Havana	88.5	1.8	6.38
France, Paris	101.7	2.6	9.93	Portugal, Lisbon	88.4	10.2	252.10
Spain, Madrid	101.1	5.7	184.15	S Arabia, Riyadh	88.1	4.6	6.50
Belgium, Brussels	100.8	2.2	60.00	Papua NC, Port Moresby	87.7	6.8	1.65
Seychelles, Victoria	100.7	0.3	9.24	USA, Los Angeles	87.5	0.4	1.75
UK, London	100.0	3.7	1.00	Bahrain, Manama	87.4	2.3	0.85
S Korea, Seoul	99.8	8.6	1,295.75	Romania, Bucharest	87.4	4.7	103.64
Austria, Vienna	99.7	3.2	20.50	Mexico, Mexico City	86.6	1.3	0.57
Mauritania, Nouakchott	97.0	6.3	146.82	Cyprus, Nicosia	84.8	6.3	0.80
				Singapore	84.7	4.0	2.95
				Trinidad, Port of Spain	84.6	5.1	7.44
				UAE, Abu Dhabi	81.7	10.0	6.44
				Brunei	80.6	2.5	2.95
				Thailand, Bangkok	80.6	6.0	44.63
				UAE, Dubai	79.6	10.0	6.44
				Indonesia, Jakarta	78.3	8.6	3,440.06
				N Zealand, Winton	78.3	4.5	3.09
				China, Beijing	77.1	9.6	9.33
				Jordan, Amman	76.0	8.3	1.19
				Fiji, Suva	74.8	5.6	2.55
				Tunisia, Tunis	74.8	8.2	1.63
				Malaysia, Kuala Lumpur	74.5	4.3	4.79
				Nigeria, Lagos	71.0	7.8	18.82
				Morocco, Casablanca	70.9	7.3	15.63
				Panama	69.3	1.2	1.73
				Bangladesh, Dhaka	66.8	7.4	63.88
				Pakistan, Karachi	57.3	7.6	42.82
				India, Bombay	56.6	12.1	45.05
				Cuba, Havana	49.8	7.0	2.34

## Investment Performance Measurement

c. £45,000 plus

Edinburgh

This is a new and important consultancy role within a well known financial services company which has an enviable international reputation for excellence, providing a range of professional services to the fund management and investment sector.

Building on existing high quality skills, data and contacts, the prime task initially is to establish personal credibility with a portfolio of clients and then to take a leading role in expanding the business in the UK and overseas.

Success will stem from sound technical knowledge of investment performance criteria and the ability to communicate effectively at the highest level with trustees, fund managers and actuaries. Practical experience of fund

management and a relevant business or professional qualification is essential.

Age: Ideally 35-45.

Location: Edinburgh.

Rewards: A substantial package is negotiable, plus an attractive range of benefits and the freedom to make a major contribution to business development.

Please write in complete confidence to Peter Craigie as adviser to the board, Ernst & Young Corporate Resources, 17 Abercromby Place, Edinburgh EH3 6LT.

**ERNST & YOUNG**

## Investment Manager

(Non-Life Business)

c. £60,000 + Benefits Central London

Our client, one of Europe's largest insurance groups with offices in some 30 countries worldwide and writing a wide range of insurance business, is looking to recruit a high calibre investment manager for its non-life business.

Functioning as part of the management team, the position will report to the Investment Committee and the successful appointee will have under his/her control the management of some £0.5 billion funds. The company is continuing to expand and the position arises from the realignment of the business and the need to strengthen the investment team. Integral to the position will be the production of statistical analyses of investment performance together with the maximisation of fund income and growth. The successful candidate will be rewarded by freedom of action within the strategic targets set by the

Investment Committee.

Candidates for the position should be aged 35/45, ideally graduates, who are able to demonstrate an excellent career path in investment management. You should be keen to further develop your skills within an organisation committed to the management of change and be able to provide lateral thinking and sound commercial decisions.

Please write enclosing a detailed curriculum vitae with salary details and quoting reference JC383 to Jeff Cottrell, Ernst & Young Corporate Resources, Beckett House, 1 Lambeth Palace Road, London SE1 7EU.

**ERNST & YOUNG**

## Associate Director

### Triple A Rated European Bank

£45,000-£60,000 + Package

City

Superb opportunity for an experienced credit risk manager to make a major contribution in a new role within a UK banking team.

#### THE COMPANY

International bank with outstanding reputation for excellence. Financial strength and sound balance sheet provide an excellent business base. Profitable, prudent team have created high performing loan portfolio.

#### THE POSITION

Responsible for credit and sensitivity analysis, cash flow forecasting, writing credit proposals and extensive client liaison. Key role in recommending and presenting to senior Credit Committee.

Conduct monitoring and regular review of individual loans to ensure healthy performance.

#### QUALIFICATIONS

Solid credit training and experience of secured lending, possibly gained with clearing bank. Rigorous analytical ability. Technical knowledge of loan documentation. Background in accounting, law or debt-related products preferred. Mature, independently-minded, with clear commercial judgement. Aged 30+. First class communication skills.

Please reply in writing, enclosing full cv. Reference K5112  
54 Jermya Street, London, SW1Y 6LX

S E R I O N

LONDON • 071 493 6392  
BIRMINGHAM • 021 339 4656 • BUCKINGHAM • 0753 818277 • BRISTOL • 0732 291142  
MANCHESTER • 0625 559955 • GLASGOW • 041 204 4354 • ABERDEEN • 0224 634000

Telerate, the supplier of Dow Jones Global Information, is a leading provider of real-time financial information, decision support products and transaction services to the international business community. Recent expansion in proprietary editorial and analytical coverage of global financial markets has created unique opportunities for experienced financial analysts to fill senior positions in our regional offices in Europe, North America and Asia.

### MANAGING ECONOMISTS (3)

London, New York & Hong Kong

Based in Telerate's regional offices the Managing Economists will manage teams of economists and analysts providing on-line screen-based reports on financial trading in the foreign exchange and fixed income markets. Applicants should be degree qualified and have a minimum of 5 years experience in the financial markets either in an analytical or trading capacity. We seek results oriented people capable of motivating others in a fast paced work environment. The ability to communicate in a second language (ideally German, French or Japanese) would be an advantage.

### ECONOMISTS (5)

London, Paris, Frankfurt, New York & Tokyo

These positions demand a proven record of achievement in analysing the G7 economies and commenting on trading in the foreign exchange and fixed income markets. Experience in monitoring the activities of central banks, monetary policies and interest rate trends is essential. Knowledge of trading in the derivatives markets (OTC Options and Swaps) would be a distinct advantage. Post graduate qualifications and language skills in German, French or Japanese will be given special consideration.

All posts are senior positions attracting competitive salary and excellent benefit packages. Relocation assistance will be offered if appropriate. Please send a detailed curriculum vitae identifying position sought and desired location, to the Human Resources Manager at either:

**TELERATE**  
Dow Jones Global Information

TELERATE (ASIA - PACIFIC) LTD., 16th Floor, Three Exchange Square, 8 Connaught Place, Central, HONG KONG.  
TELERATE SYSTEMS INC., Harborside Financial Center, 600 Plaza Two, Jersey City, New Jersey 07311-3992, USA.  
TELERATE (EUROPE/GULF) LTD, Winchmore House, 12-15 Fetter Lane, London EC4A 3 1BR.

### CBI-TDB UNION BANCAIRE PRIVÉE

Division Institutionnelle et des Produits

For an expanding Research Department, we are seeking a

#### Senior Financial Analyst, specializing in equities

whose role will call for the circulation and implementation of investment ideas both in the management of instruments and accounts as well as in the acquisition process of institutional clients.

Interested parties (Swiss or "C" permit holders) with several years of experience as members of the management team of a global research department in Switzerland or abroad, are requested to personally write to the Division Head, Mr Daniel de Picoletto.

**CBI-TDB UNION BANCAIRE PRIVÉE**  
96-98, rue du Rhône - 1211 Genève 1.  
Switzerland

### CBI-TDB UNION BANCAIRE PRIVÉE

Division Institutionnelle et des Produits

For an expanding Research Department, we are seeking a

#### Senior Fixed Income Analyst

whose role will call for the circulation and implementation of fixed income investment strategy and ideas both in the management of instruments and accounts as well as in the acquisition process of institutional clients.

Interested parties (Swiss or "C" permit holders) with several years of experience in the management team of a fixed income department in Switzerland or abroad are requested to personally write to the Division Head, Mr Daniel de Picoletto.

**CBI-TDB UNION BANCAIRE PRIVÉE**  
96-98, rue du Rhône - 1211 Genève 1.  
Switzerland

### Corporate Finance

To £35,000 + Benefits

This major UK merchant bank with a strong presence in Corporate Finance, has a superb opportunity for a junior executive to join their expanding team. The successful candidate will enjoy a "hands-on" role with exposure to mainstream Corporate Finance and an unequalled career path.

You will be ACA or MBA qualified with an outstanding academic background (21 degree minimum) and at least 2 years experience with a "top name" organisation. Applications are sought from energetic, ambitious and innovative candidates with proven analytical and numerical skills. Fluency in one or more European languages is a distinct advantage.

### Structured Finance

To £30,000 + Benefits

The structured finance division of this large UK merchant bank urgently needs additional expertise within their team.

With their innovative approach to financing, the successful candidate will be responsible for supporting business development initiatives in respect of specialised MBO, acquisition and property financing.

Probably in your mid 20's, you will be educated to degree level with excellent analytical and modelling skills. Your creative mind and high level of interpersonal skills combined with a proven track record in this field, will ensure you are successful in obtaining this challenging role.

Please contact Deirdra Moynihan or Carol Edmunds on (071) 583 0073 (day) or (071) 373 9513 (evenings and weekends) or send your cv in complete confidence to: 16-18 New Bridge Street, London EC4V 6AU. Or fax (071) 353 3908.

**BADENOCH & CLARK**  
recruitment specialists

### ABN-AMRO

## FIXED INCOME SETTLEMENTS MANAGER

ABN AMRO Securities (UK) Limited is a leading market maker in European Government debt. We are part of the ABN AMRO Bank Group which employs 60,000 people in 2,000 offices worldwide.

Due to expansion we are looking to recruit a Settlements Manager who will enhance and develop our operations team. Aged in their thirties, and preferably educated to degree level, candidates will be able to demonstrate significant experience of settlement of international securities.

The successful candidate will be expected to manage and develop the fixed income

settlements function whilst recommending and implementing systems and organisational changes. He or she must have strong managerial and technical skills and should demonstrate the ability to understand the operational implications of new products. This position offers an outstanding opportunity for a self motivated and ambitious individual and an excellent salary and benefits package.

Interested candidates should contact Gail Preston on 071-236 0264 or write to her at the address below for further information. All applications will be treated in the strictest confidence.

ABN AMRO Securities (UK) Limited, 9 Well Court, London EC4M 9DN.



## Head of Information Technology

AIB Capital Markets plc

Dublin

AIB Capital Markets is one of the four operating divisions within Allied Irish Banks plc which employs some 14,000 people and has assets in excess of IR£18 billion. It engages in a broad range of merchant banking activities including the provision of international treasury, investment banking and financial and corporate services; key locations are Dublin, London, New York and Singapore.

The primary task is to spearhead the development and maintenance of high quality information, dealing and processing systems throughout the network which will further enhance the Company's competitive advantage. The

requirement is for a unique combination of proven managerial, information technology and business skills coupled to a deep understanding of the profitable applications of leading-edge technology within international financial services. Age indicator, 30/45. The total compensation package, which will be discussed at interview, includes a competitive salary and an attractive range of benefits.

Please write stating how you meet the requirements to H.W.J. Flannery, MSL Group Limited, Newmount House, 22/24 Lower Mount Street, Dublin 2 quoting reference 83561.

**MSL International**  
CONSULTANTS IN SEARCH AND SELECTION

## MONEY MARKET SALES

Swiss Bank Corporation is a major AAA/Aaa-rated international bank offering a full range of high-quality investment banking services to its clients through a global network.

The bank is the undisputed market leader in money market securities and was awarded International Financing Review's "ECP Dealer of the Year" in 1991. In addition, the bank ranks as the leading European house in the developing Euro Medium Term Note market.

Continued growth in these core activities has now created the need for additional Money Market Sales Professionals to be based in London. Responsibilities will include the distribution of EMTNs, FRNs, ECP and short-dated bonds with the primary objective of servicing and expanding the bank's extensive European investor base.

Ideally a graduate, aged 25-35, you should have at least three to four years relevant experience with in-depth practical knowledge of the requisite products. A number of positions are available, one of which would include the risk management function where you will be expected to contribute in the development of hedging strategies, utilising both futures and swaps.

Joining a proven and successful sales team you must possess excellent interpersonal skills and a solid track record of achievement. Knowledge of at least one other European language would be a distinct advantage.

These positions offer excellent scope for career advancement within one of Europe's most prestigious financial institutions. Competitive salaries will be augmented by a full range of banking benefits.

Please write with full personal and career details to:

Steven G Ward,  
Human Resources,  
Swiss Bank Corporation,  
Swiss Bank House,  
1 High Timber Street,  
London EC4V 3SB.



**Swiss Bank Corporation**  
Schweizerischer Bankverein  
Société de Banque Suisse

## FLEMINGS

ASSET MANAGEMENT

### EXPERIENCED UK EQUITY ANALYST

Robert Fleming is a major UK based investment bank with significant activities throughout the world. The Group manages funds worth £28 billion through its various international fund management operations. Robert Fleming Asset Management in London with £19 billion under management is one of the largest international investment management companies in the United Kingdom.

The Group now wishes to recruit an experienced analyst to join its well established UK Research Team. Flemings is a research driven organisation and the successful candidate will be expected to undertake significant UK sector responsibilities whilst maintaining a broad international perspective. He or she will take a leading role in sector and stock selection and will be expected to develop and maintain company contact at the most senior levels.

Applicants should be graduates in their mid to late twenties with a minimum of two years research experience in a leading Investment Management organisation or Stockbroker. Although this particular vacancy is in the Capital Goods group of sectors, candidates who can demonstrate a successful track record in other sectors will be considered. Well developed analytical skills are vital as is the ability to present ideas clearly to senior management and clients.

A competitive salary and first-class banking benefits package will be offered to the successful candidate.

Applicants should write enclosing their C.V. and details of current remuneration to:

David Weeks,  
Director-Personnel,  
ROBERT FLEMING & CO. LIMITED,  
25 Copthall Avenue, London EC2R 7DR.

### CREDIT ANALYST to £55,000 + Bonus + Benefits + Car

Our client, a leader in capital markets, fixed-income and derivative products seeks a credit analyst with 5 years banking experience within international/investment banking environment. Educated to degree level, with formal US training you will be responsible for corporate and for counterparty credit analysis, country and political risk, measuring/monitoring market and unsecured exposure to counterparties, analysis of currency and interest rate exposure, ratings advisory to issuers.

Please contact Ron Bradley on 071-623 1266.

Jonathan Wren & Co. Limited, Financial Recruitment Consultants  
No. 1 New Street, London EC2M 4TP  
Telephone 071-623 1266 Facsimile 071-426 5259

JONATHAN WREN EXECUTIVE

#### SPOT F. X.

Major international bank is seeking a trader with a profitable record to date in Spot S/Yen or Dmk/Yen. Aged between 26 - 35, a minimum of 4 years experience is essential for this senior position. A generous performance related bonus scheme is in operation.

#### CURRENCY OPTIONS

Position is available within a top international bank for an experienced dealer in OTC Currency Options. The incumbent will start a portfolio of currencies and trade volatility as well as taking longer term, speculative positions. Package is negotiable according to profitability.

#### SPOT F. X.

First class European bank requires a Junior Foreign Exchange dealer with 2-3 years experience of trading interbank in either Spot S/Dmk or EMS Currencies. Genuine career progression is offered to the successful candidate who can demonstrate the ability to perform profitably within a team structure.

#### OFF-BALANCE SHEET

Specialist FRAX/Parsons trader is sought by a respected British bank. Dealing expertise in US \$ and £ is required together with a sound Money Market background and working knowledge of Interest Rate Swaps and Options. Ideally aged 25-30, graduates are preferred.

£40,000

£50,000

£30,000

£40,000

#### FOREX Selection

Treasury Recruitment

Please call Jane Hampton or write in confidence quoting ref: JH1515.  
Tel: 071-696 0191.  
12 Copthall Avenue,  
London, EC2R 7DH.

London

Our client, a major UK securities house, is one of the most prestigious and respected names in the global securities markets. It is a highly successful and autonomous subsidiary of an eminent banking group and has offices in all major financial centres.

Following an internal promotion, there is a need to appoint a UK Head of Compliance. It is anticipated that the successful candidate will become Head of Global Compliance within a year.

Reporting to the Group Finance Director and heading a small team, the appointee will be responsible for all compliance matters. This will include monitoring and ensuring compliance with all relevant rules and regulations of statutory and self-regulatory bodies; liaising with, and reporting to, the SFA; and keeping abreast of all regulatory legislation and change. The development

of the compliance function globally and relevant policy issues will become key areas of responsibility.

Candidates, probably aged in their 30's, will be qualified lawyers or accountants, with several years' experience of the compliance function within the securities industry and also detailed knowledge of the rules and practices of the SFA. A sharp intellect and high integrity are essential and international experience would be highly advantageous.

The attractive remuneration package, which will be negotiable depending on experience and ability, will reflect the importance of this key role in a changing and stimulating environment.

Interested applicants should write, enclosing a CV and details of current remuneration, to Roger Howell at the address below, quoting reference 0931.

**ST. JAMES ASSOCIATES**

MANAGEMENT SELECTION

32 Old Burlington Street, London W1X 1LB Fax: 071-287 2821. Telephone: 071-287 2820.  
A GKR Group Company

FG

FG Inversiones Bursátiles SA

### FG REQUIRES SENIOR BOND ANALYST

FG Inversiones Bursátiles, the leading independent Madrid stockbroker, wishes to make a significant investment in the development and expansion of its growing business in the Spanish Government Bonds and fixed interest securities markets.

Initially FG wishes to appoint, to a new position, a senior Bond Analyst. The successful candidate, who will be based in Madrid, can anticipate a leading role in the management of this part of FG's business. He/she will have at least three years' experience in studying the fixed interest markets and will be able to express an insight into the influence that international, political and economic events will bring to bear on the bond markets. He or she will demonstrate a pro-active and forward looking approach, will have the ability, and feel the need to be able to sell ideas and should also demonstrate management ambitions. The successful candidate will be computer comfortable and will be practiced in deriving and interpreting computer models. A working knowledge of Spanish would be a useful start although it is anticipated that the successful candidate will have the determination and ability to master the finer points of the Spanish language within the course of his or her first year.

A substantial remuneration is anticipated and it is expected that the appointed candidate will, over the medium term, build a prominent and successful bond research team.

In the first instance write to Ricardo Mandelbaum, with a copy of your C.V. and an appreciation of how you see this appointment developing.

Ricardo Mandelbaum  
FG Inversiones Bursátiles SA  
Jose Ortega y Gasset, 29-5  
28006 Madrid

Initial interviews will be held in London and prospective candidates will be given an opportunity to spend a few days with FG in Madrid.

### BANK OF IRELAND INVESTMENT MANAGERS LIMITED

Bank of Ireland Group has a long-standing, impressive record in investment management with over £3 billion funds under management. Our UK investment management arm provides services to pension funds, charities, corporate and private clients. The continuous growth of our business is a direct result of outstanding performance and first-class service to our customers. We are now seeking to fill the following position.

#### SENIOR PORTFOLIO MANAGER LONDON

The position primarily involves managing all UK client portfolios. It has a further important function in the development of new business through existing and new customers.

Reporting directly to the Managing Director of our UK fund management company, Bank of Ireland Investment Managers Limited, the successful candidate will have a minimum of 5 years experience in our industry. Candidates are likely to be high-calibre graduates with a proven track record in portfolio management. They must have excellent communication skills and be fully versed with domestic and international markets. The ability to work on your own initiative will be an important prerequisite and ability rather than age will be the determining factor in selection.

We offer a first-class remuneration package which will be performance related and will include company car, mortgage subsidy and other benefits.

Please send C.V. details in confidence to:

Fred Healy,  
Head of Personnel,  
Bank of Ireland Investment Managers Limited,  
36, Queen Street,  
London EC4R 1BN.

The London Branch of a major German Bank is expanding its Project and Structured Finance activities in the UK and seeks an experienced

### PROJECT AND STRUCTURED FINANCE MANAGER

The successful applicant will have a minimum of 5 - 7 years' experience in this line of business with particular knowledge in the assessment of UK project finance transactions.

He/she will be a senior member of a small Project and Structured Finance Team responsible for the development, analysis, assessment and day-to-day running of the Bank's business in this sector.

The position will involve customer contact and demands flexibility, an outgoing personality and the ability to make decisions. Good skills in computer modelling are required.

Some knowledge of German is desirable but not a requirement.

The position offers excellent career prospects in a friendly international environment.

Applicants with CV and salary expectations to Box A438, Financial Times, One Southwark Bridge, London SE1 9HL.

**WILLIAMS  
de BROË**

PRIVATE CLIENT INVESTMENT MANAGEMENT

As an experienced Fund Manager with a loyal following you could be working for a company with real commitment to Private Client Investment Management, in a confident and successful atmosphere.

Call David Curling  
071-588 7511



## BOND PORTFOLIO MANAGEMENT

a senior, influential role in fund management  
competitive salary plus benefits

Our client is a UK based bank with a developing international client base and overseas operations. We are currently retained to identify a Bond Portfolio Manager for their Fund Management Division.

This is a senior, broad ranging position, requiring full utilisation of your experience of international bond portfolio management. You will be expected to provide systematic, analytical and quantitative reviews, undertake empirical and quantitative research and contribute to in-house publications on international bond and fixed income markets. As a member of the Asset Allocation Committee, you will have a direct influence in overall client portfolio strategies and will be given considerable autonomy to manage client bond portfolios. Active marketing of bond portfolio management strategies and products to prospective clients will also be a major element of your duties.

This multi-faceted and challenging role will appeal to an ambitious individual who enjoys variety and wishes to combine all aspects of bond portfolio management and client marketing within the small, focused fund management team.

Applications are invited from enthusiastic, committed and self motivated individuals who are likely to have had 4 to 5 years' relevant experience, ideally gained with one of the major investment/merchant banks. Computer literacy is necessary together with a working knowledge of portfolio management and optimisation software. Candidates should hold a degree in business studies, economics or finance and may have complemented this with an MBA.

Interested applicants should send their Curriculum Vitae in confidence to:  
Ian Dodd, Executive Director or telephone for an initial discussion.

INTERNATIONAL FINANCIAL RECRUITMENT CONSULTANTS

7 Birch Lane,  
London EC3N 3BY

Tel: 071 895 8050  
Fax: 071 626 2092



A member of The Devonshire Group Plc

## Investment Sales Manager

Major European Financial Services Group  
Scotland

High negotiable salary + attractive benefits package

Our client is part of one of the largest financial services groups in Europe with in excess of £20 billion under management. The group has a well established and expanding operation in the UK and can boast excellent fund performance.

It has been decided to augment the UK investment sales team by the appointment of a Sales Manager to develop and secure Unit Trust and PEP business from professional intermediaries in Scotland, the North East of England and Northern Ireland. The appointee's daily contact with the market place will assist in providing valuable input for the generation of marketing initiatives. The role also involves the motivation and training of the group's non-specialist sales teams to enable them to secure

investment business.

Ideally aged 30-45, you should be able to demonstrate a thorough understanding of investment markets probably gained from working within an investment management group, a stockbroking firm or other financial institution. Previous intermediary sales experience is not a prerequisite.

The remuneration package includes a high basic salary, mortgage subsidy, non-contributory pension, BUPA, bonus, quality car and relocation assistance where appropriate.

For a strictly confidential discussion, please telephone or write to Robin Douglas, quoting reference 1424 at FLA, 58 Queen Street, Edinburgh, EH2 3NS. Tel: 031 220 3689.



SEARCH, SELECTION  
AND CONSULTANCY  
SERVICES

## FIXED INCOME SALES £ EXCELLENT

Our client is a small capital markets specialist with offices in London, New York and Zurich. It has blue chip continental shareholders and offers its institutional clients a discreet high quality service.

We are looking for sales people of the highest calibre to facilitate major expansion plans for 1992.

We wish to hear from individuals who have an impressive track record in institutional bond sales. Suitable applicants are likely to have a strong personal client base who they would prefer to service from an independent specialist firm. They should also appreciate working in a friendly, professional and apolitical environment. Remuneration will prove attractive to the right individuals.

To discuss these opportunities further, in strictest confidence, please contact Christopher Lawless or Stuart Clifford on 071-379 1100 or write to The Bloomsbury Group, 4th Floor, Alton House, 177 High Holborn, London WC1V 7AA.

EXECUTIVE - SEARCH - & - SELECTION - CONSULTANTS

## Corporate Finance Executives

Italian, French or Spanish markets

City of London

MBA, accounting or legal qualification

Age: Late 20s - early 30s

Salary: c £50,000 plus mortgage subs, bonus and generous banking benefits

Yamaichi Securities is one of the world's leading securities houses, with 40 offices spanning 24 major financial centres. In London, Yamaichi International (Europe) is its European flagship employing over 350 people from twelve countries.

A number of positions have arisen in its expanding Corporate Finance department for highly motivated Corporate Finance professionals.

Reporting to the Head of the Southern European Desk, each position's primary responsibility will be to market a full range of corporate finance services to either Italian, French, or Spanish and Portuguese clients.

It is essential that candidates are fluent in one of these languages and have extensive contacts in the public and corporate sectors of the corresponding country. A proven track record in deal making, excellent communication and negotiation skills, together with commercial flair and dynamism gained in a leading financial institution, are essential for success in this competitive and challenging environment.

Candidates should submit a detailed CV, in confidence, to:  
Kath Lawrence, Head of Personnel,  
Yamaichi International (Europe) Ltd,  
111-117 Finsbury Pavement,  
London, EC2A 1EQ

Yamaichi International (Europe) Limited  
Member of the Securities and Futures Authority and Member of the London Stock Exchange

## M&A / GERMANY

An established European M&A advisory firm seeks M&A professionals at junior and senior levels for its Frankfurt office.

Please send resume in confidence to us at Box A437, Financial Times, One Southwark Bridge, London SE1 9HL

THE  
BLOOMSBURY  
GROUP



ESN PENSION MANAGEMENT GROUP LIMITED

## Treasurer

c£32,500 to £35,000 pa

Victoria

ESN Pension Management Group Ltd is the sole fund manager for the Electricity Supply Pension Scheme which is currently valued at approximately £10 billion and ranks as the second largest pension scheme in the UK. Following the privatisation of the Electricity Supply Industry the Scheme operates as a unitised fund for the 17 participating companies within England and Wales.

As a result of the growth of the Scheme's investments and the changes in the company's style of operation, a new opportunity has been created for a Treasurer in the company's offices in Buckingham Palace Road, SW1.

Reporting directly to the Financial Controller, you will be responsible for the day to day investment of cash balances of the scheme including its associated companies. This will involve liaison with banks and other financial organisations. As the Scheme has extensive overseas investments, you will also be responsible for

controlling the investment of foreign currency balances. Close liaison with the Securities Division will be necessary as well as the need to carry out ad hoc financial assignments within the Finance Division.

You must:

- have at least 3 years' treasury experience in a large commercial/fund management organisation;
- possess experience of funding methods, interest and exchange rate management, money market dealings and procedures;
- have good communication skills and the ability to meet deadlines;
- preferably be a qualified accountant and have experience of computerised treasury systems.

Applications in confidence with a full CV and quoting current remuneration details should be sent as soon as possible to:

Recruitment Section,  
30 Millbank, London SW1P 4RD.

Equal Opportunity Policy Applies

## International Banker Kuwait

A major Kuwaiti Bank is seeking an experienced and enterprising international banker for a highly responsible position in its head office. The position provides good growth potential and involves international travel. An excellent tax free remuneration will be offered to the successful candidate.

The ideal candidate will have the following basic qualifications:  
University degree and/or a professional banking qualification.  
Excellent marketing skills and experience in the sale of bank products particularly to the corporate, correspondent bank and government sectors.  
Technically proficient in the credit area.

Excellent interpersonal and communication skills.  
Proficient in the English language.

Age: 30-45 years.

Experience in trade finance and asset trading fields and additional language skills will be considered as advantages.

Interested candidates who meet the above basic requirements are invited to apply in confidence giving details of previous experience before 31st January 1992; quoting reference FMH/132 to: Ernst & Young, PO Box 74, Safat 13001, Kuwait.

ERNST & YOUNG

## Head of the Aston Business School

Outstanding candidates are sought for this post, to lead the Aston Business School through a period of continued expansion and development, and to enhance its position as a centre of excellence.

The Aston Business School is already one of the largest business schools in Great Britain. Together with a very strong Department of Modern Languages, it forms the Faculty of Management and Modern Languages which contains 50% of Aston University's student population. It has a strong international orientation, and operates an extensive network of student and staff exchanges, especially in Europe. Aston University is recognised as one of Britain's leading universities in the application of Information Technology, and is well placed to meet the challenges and opportunities of the 1990s and beyond, as a leading European university.

Candidates should have a record of outstanding achievement in either the academic world, industry, commerce or the public sector. A proven academic record, with a particular commitment to high-quality research, would be especially welcome. A thorough understanding of current initiatives and challenges in management education and practice is essential, together with demonstrated ability to develop effective strategic plans in a competitive environment. Candidates should have a wide range of high-level contacts in industry, commerce and the public sector, and be able to demonstrate strong creative leadership and first-rate communication skills.

A continuing appointment, secondment or limited-term contract will be considered. The remuneration package will be negotiable, to reflect the seniority of the post within the University.

Anyone wishing to discuss the post informally may approach the:  
Vice-Chancellor, Professor Sir Frederick Crawford, or the Secretary-Registrar,  
Mr David Padgham,  
Tel: 021-359 3611.



Further particulars may be obtained from:  
The Secretary-Registrar,  
Aston University, Aston Triangle,  
Birmingham B4 7ET  
Quoting Ref. No. 5201/27.  
Fax: 021-353 5119.

ASTON UNIVERSITY

## Sales Trader - German Equities

Our Head Office in Frankfurt requires an experienced sales trader for German equities.

The successful candidate should have established contacts in the U.K. as well as a working knowledge of both the cash market and derivative instruments together with the ability to identify profitable connections between the two.

The position provides an excellent opportunity to work in a market environment which is both lively and demanding.

German language skills would be advantageous although not a prerequisite. The salary will be appropriate to the position, supplemented by a generous range of banking benefits.

Please reply in confidence with a detailed career history to:

Dresdner Bank AG  
Konzernstab Personal  
Zentrale/Ausland  
Jürgen-Ponto-Platz 1  
6000 Frankfurt 11

Dresdner Bank

## MCM A Xerox Financial Services Company

MCM supplies screen based financial information to some 1400 Currency and Fixed Income dealing operations worldwide, principally through the Telecom network.

We are seeking market analysts to join our London based team on our CurrencyWatch and YieldWatch products.

- Candidates should ideally have:
- A degree in Economics or Finance
  - Experience in either a foreign exchange or fixed income trading environment
  - A high degree of market sensitivity as essential as the services are continuously updated on-line. A quick reaction time, on-the-spot analytical ability, and effective communication skills are a plus.
  - A high degree of team spirit

Fluency in French or German would be an added advantage. The right candidates will have an opportunity to rapidly develop responsibility in a team of analysts who have an excellent reputation in the market place. In the first instance, please forward your CV to:

Malcolm Cook  
McCarthy, Cleland & Maffei Inc  
7 Hollywood Street  
London SE1 2EL  
Fax: 071 357 7658  
or call on  
Tel: 071 578 7273

## ORD MINNETT LIMITED Mining Equity Analysts and Sales

To reinforce our commitment to international mining equity broking, we are seeking to recruit, to our London team, the following experienced personnel:

### INVESTMENT ANALYST

Preferably, but not essentially, with knowledge of North American and European base metal and diversified mining companies.

### INSTITUTIONAL SALES PERSON

Knowledge of mining industry is essential. Experience of dealing with Continental European institutions an advantage.

Salaries will be commensurate with experience.

Applicants should send their C.V., in confidence, to Reg Eccles, Managing Director, Ord Minnett Limited, One College Hill, London EC4R 2RA

## EUROMONEY

Euromoney Graduate Marketing Job Experience Scheme

Euromoney Publications PLC is initiating a new job experience scheme for up to five graduates who are interested in learning about marketing of financial publications and financial information products. The Scheme will last for three months. There will be a bursary of £500 a month paid to each trainee. At the end of three months, trainees will be assessed on their aptitudes, and a selected number may be offered permanent employment.

If you wish to apply, please send a CV, plus a 200-word summary of why you think you are suitable for this scheme, to:

Gerald Straker, Director  
Euromoney Publications Plc  
Nelson House,  
Playhouse Yard,  
London EC4V 3EX

## Senior Manager for MIDDLE EASTERN INVESTMENTS Salary Circa £30,000.00 p.a.

An Arabic and French speaking Manager is required to be responsible for supervision of Middle Eastern clients gas and oil investments worldwide.

Must have a Degree qualification and over three years previous experience of working in the financial sector, and first hand experience of portfolio management coupled with a strong knowledge of the business methods and culture of the Middle East.

All applications in writing with a full C.V. to:  
Financial Dept, QIBED (UK) LTD,  
149 Old Park Lane, London W1T 3LN  
Tel: 071 493 2345



**Correspondent Bankers**

**c£35,000**  
A top-rated European bank, long established in London, currently seeks an experienced Correspondent Banker to maintain, service and develop an established relationship portfolio. Suitable candidates aged 28 will have a background of 3-4 years similar responsibilities with a major continental or North American bank.

**Manager - Credit**

**c£30,000**  
The established London branch of a major international organisation has a senior level opportunity to be responsible for the monitoring of all credit exposure. The duties require extensive credit related skills acquired by formal training and exposure in different types of industries, accounting treatments etc.

**Credit Analyst**

**c£30,000**  
A major European bank offers an exceptional career opportunity for a capable graduate banker aged late 20s. With an emphasis on Financial Institutions the duties will cover investigations and analysis of companies and market opportunities. The role will provide the potential for progression to account management and marketing responsibilities.

**Loans Documentation - Property Finance**

**to £25,000**  
Due to continued expansion of a specialist credit team a highly regarded European bank seeks an additional Documentation Assistant. Largely in a support role the responsibilities will involve drafting documentation, assisting credit management to structure collateral, checking conditions precedent prior to drawdown plus extensive internal and external liaison.

**Project Finance Officer/Analyst**

**to £25,000**  
Following the expansion of business a leading European bank seeks applicants aged 25-30 offering a minimum two years bank experience in a project finance department plus graduate and/or ACIB qualifications and PC literacy. The duties will include general risk analysis, evaluation of new proposals and preparation of applications.

For further details, please contact Frank May either by telephone or in writing.

**Spot Dealer**

**to £75,000**  
A major international bank currently seeks to recruit a senior individual with solid experience trading either spot Yen or Deutschmark/Yen. The ideal candidate aged 27-34 will have traded the above currencies for a minimum of two years and be currently employed at an active trading institution.

**OBS Dealer**

**to £60,000**  
A Sterling FRA/Futures dealer is currently sought by our client's well regarded European bank. Applications are invited from candidates aged 25-32 who possess at least two years experience trading Sterling FRAs and Futures together with a stable career record.

**Spot Dealer**

**to £55,000**  
A first class international bank currently has an opening for a senior spot dealer. The appointee is likely to be aged 26-32 and possess a minimum of two years experience actively trading spot Deutschmark together with a stable career record to date.

**Currency Options Dealer**

**£ neg**  
As a result of expansion this well regarded European bank currently has an opening for a currency options dealer. The ideal candidate will possess a minimum of two years experience trading in this market and be seeking a role where they are able to trade strategically on a proprietary type basis.

**Corporate Dealer**

**to £60,000**  
Our client, an established City based international bank currently seeks to recruit a corporate dealer. The ideal applicant aged 26-30 will possess a sound knowledge of Foreign Exchange, Treasury and OTC Balance Sheet instruments together with proven marketing skills.

For further details, please contact Steve Cartwright either by telephone or in writing.

GORDON BROWN & ASSOCIATES LTD RECRUITMENT CONSULTANTS  
5th FLOOR, 2 LONDON WALL BUILDINGS, LONDON EC2M 4PP. TEL: 071-628 7601 FAX: 071-628 7338

**Gordon Brown**

## Assistant Manager - Support Services

c £25,000

### Making waves in Global Custody

At State Street Bank & Trust Company, we recognise that the drive for quality is a continual process. It demands a constant reassessment of the service we offer. And it's the pursuit of excellence in every sphere of our business that has helped us become one of the world's leading Global Custodians - providing custody, cash management and reporting services to prestigious institutional investors throughout the world.

Having created an environment which thrives on innovation, our UK base has grown rapidly in the past five years. Your part in our continuing success will be to ensure that our Global Custody operation runs at optimum efficiency.

This will involve management planning, problem solving, setting standards and performance monitoring in a number of support service areas - chiefly in Foreign and UK Settlements, but also in Corporate Actions and Dividends. Directly influencing and enhancing our performance in these areas, you'll review and update

procedures, provide and analyse management information and create the conditions in which supervisors and their staff can achieve their fullest potential.

It's a role that demands high-level technical and managerial skills, as well as the ability to lead and motivate some thirty staff. Your minimum five years' experience in stockbroking/banking and Global Custody - including work in Settlements, Corporate Actions and Dividends - must therefore be matched by your proven ability as a team builder.

Naturally, we offer all the usual banking benefits. But you'll also have the satisfaction of putting ideas and projects into action - and of shaping the future of one of the world's foremost financial institutions.

To apply, please send your CV stating current salary to Carol Butler, State Street Bank & Trust Company, One Canada Square, London E14 5AF or telephone her on 071-416 2500 for further information.

**State Street**

### THE COMMON FUND FOR COMMODITIES SEES A SENIOR ECONOMIST (P4/P5)

to carry out analytical research in the development of international commodity markets, and to assist with cost/benefit analysis of proposals submitted to the Fund, for project financing.

The Common Fund for Commodities is an international financial institution with 105 member states, engaged in the financing of development projects on a worldwide basis. The position of senior economist is offered on the basis of a two year fixed term contract with the possibility of renewal.

Requirements: The incumbent shall have a recognised masters degree in economics and at least fifteen years experience in economic research specialising in international commodity trade. Familiarity with personal computers. Ability to interrogate international data-base systems is essential. Excellent English, both written and spoken; knowledge of at least another UN language is desirable.

Salary and benefits: The Fund offers a competitive tax-free salary and other benefits of international civil service including relocation, cost of living adjustment, family allowance, medical and insurance contributions.

Letters of applications in English, including a detailed curriculum vitae, should be received not later than 29 February 1992 and should be addressed to:

The Managing Director, Common Fund for Commodities, Ariem, Stravinskylaan 3097, 1077 ZX Amsterdam, The Netherlands.

### SAUDI ARABIA TRAVEL SERVICES COMPANY MANAGING DIRECTOR

Large, full-service, travel services company with offices in all major cities of Saudi Arabia. An opportunity to assume a leadership role in a subsidiary owned by one of the leading groups of companies in the Kingdom. We need a leader, preferably someone with experience in the Middle East travel market. Must have managed a large multi-office travel services company.

Please send us a resume plus a short letter describing why you feel you are the right person for the position to: MANAGING DIRECTOR TRAVEL SERVICES COMPANY P.O. Box 920952, Suite 410, Houston, TX 77292-0952 or fax to: (713) 840 7260.

### EXECUTIVE SEARCH THE CITY

A small, independent consultancy which specialises in medium and senior level search across the financial sector, seeks a person or people who would like to team up with them.

This would be achieved by working in London on, for the short term at least, functioning as a separate entity from our premises. Preferred age group 32-45.

The company operates from pleasant central offices, has a computerised database and an excellent reputation. All enquiries will be answered and treated in total confidence. Box No. A1720, Financial Times, 1 Southwark Bridge, London SE1 9HL.

### INVESTOR RELATIONS SALES EXECUTIVE

Technometrics seeks an additional account executive to join its European team. Technometrics is internationally recognised as the leading data base company servicing the investor relations and broking communities. Candidates should possess an understanding of equity markets and have record of success in sales. Spoken German would be an advantage and the position provides the opportunity of European travel. A high degree of self motivation is required as well as excellent communication skills to board level. Please send curriculum vitae to the Personnel Department at:

Technometrics Inc.  
13 Knightsbridge Green, London SW1X 7QL

### Fixed Income Salesman

Required by expanding Securities House to complement small team to service fixed income needs of established customers. Approximately two years experience, knowledge of German and Italian. Registered Representative with S.F.A. Must package.

Write with C.V. to: Mrs. Stiller  
Swiss Cashbank Securities Limited  
London Wall, London EC3Y 5ET

### FUND MANAGER - GLOBAL FIXED INCOME

We are a specialist international investment management company, formed a year ago, and based in the West End of London. Our client base is predominantly institutional and is both fixed income and equity orientated. While the company is financed by the shareholders of a substantial private company in the United States, the firm's professionals own significant equity stakes.

As a result of strong growth in demand for our global fixed income expertise, we require a fixed income fund manager of exceptional quality and proven investment record. The individual will have 3-5 years experience in fixed income management and will preferably have a good degree in Economics or an associated subject. He/She will be entrepreneurial, and will be expected to play a significant role in marketing the firm's fixed income products.

Salary will be negotiable according to expertise, but of greater interest to the right candidate is the potential for both profit related bonuses and equity ownership in the company.

Candidates should apply, with full CV, in strict confidence to: Box A435, Financial Times, One Southwark Bridge, London SE1 9HL.



### Arbuthnot Fund Managers Has a vacancy for a UK Settlements Clerk

Candidates must be computer literate and have a working knowledge of U.K. Stock Exchange settlement procedures. Apply enclosing CV to Miss P Ashford, Arbuthnot Fund Managers Ltd, Garrard House, 31-45 Gresham Street, London EC2V 7DN.

### Private Clients

Dynamic 100 year old firm seeks bright experienced fund manager with loyal, fee paying discretionary clients. The right person will find and security a loyal commitment in a stimulating and friendly environment. CV (and recent photo) guaranteed reply.

Write Box A435, Financial Times, One Southwark Bridge, London SE1 9HL.

### APPOINTMENTS WANTED

### Male 22

Seeks suitable employment

Exp. in International Banking. Investments, import/export with emphasis on South Africa. Hardworking & enthusiastic. Excellent presentation & communication skills. W.P.C. proficient. Excellent references.

Please write Box A1720, Financial Times, One Southwark Bridge, London SE1 9HL.

## HUNGARY Corporate Finance Manager

Our client is a market leader in privatisation and the development of corporate finance business in Central Europe, providing an advisory service for a range of clients in Hungary as well as in Poland, Czechoslovakia and the former East Germany.

As a result of continued expansion, this prominent investment bank wishes to recruit a corporate finance manager to work in its Budapest office. As part of a small and specialist team, he/she will be acting as advisor to Hungarian entities on privatisation issues, and major foreign companies investing in Hungary.

It is envisaged that the successful candidate will be aged between 28 and 35 with a legal or accountancy qualification and/or

substantial experience in merchant banking/corporate finance. Experience of privatisation work would be an advantage. He/she must also be willing to re-locate to Hungary for a minimum of three years and should preferably be fluent in Hungarian.

The position offers the opportunity to join a first rate organisation working in a rapidly changing and developing economy which promises to be of major importance in the next decade and beyond.

Salary will be commensurate with experience. The package will reflect the expatriate nature of the role and will include relocation expenses.

Interested candidates should contact Jane Hayes at BBM Associates Ltd (Consultants in Recruitment) on 071-248 3653 (0763 208728 evenings/weekends) or write, sending details to the address below. All applications will be treated in the strictest confidence.

76, Watling Street, London EC4M 9BJ

**BBM**

Tel: 071-248 3653 Fax: 071-248 2814

### c. £26 K + benefits

Opportunities at Northampton, Swindon, Sevenoaks and Sale (Cheshire)

## Move With The Times

### Deputy Area Managers - Newly Created Posts

Nationwide is the UK's second largest building society and one of the keys to our future success is the continual development of our Commercial Lending Division. This is greatly accelerated by our innovative product portfolio and ability to construct packages for the specific needs of our customers.

As this growth continues, we require man-managers with at least five years' experience of credit risk assessment and control - preferably in commercial banking - to manage client relationships and achieve financial targets.

Enjoying the freedom to control your development in this broad role, you will maximise the opportunity to increase market share by fully exploiting the advantages our creative approach provides.

Your excellent interpersonal, negotiating and loan structuring skills will ensure an acceptable level of risk is maintained, whilst you contribute to our growth, following leads from throughout the Society.

Working closely with your Area Manager to review

strategic and operational direction, as you identify marketing opportunities you'll liaise with retail counterparts to maximise cross-selling and new business flow. Other responsibilities include helping to develop your team of professional financial advisers and managing insolvency and recovery situations.

In addition to good opportunities for personal development, your benefits will include a competitive salary, company car, concessionary mortgage, company pension and life assurance schemes, and an excellent relocation package where appropriate.

The Society upholds a clean air policy for the comfort and safety of staff. Accordingly smoking is prohibited on its premises.

If you'd like to move into a strategic role in one of the most important and expanding areas of our business, please send your full C.V., to arrive by 23rd January 1992, to: Mr Pat Turner, Human Resources Consultant, Nationwide Building Society, King's Park Road, Moulton Park, Northampton NN5 1NL.

**Nationwide**  
The Nation's Building Society

## ASSOCIATE DIRECTOR - TREASURY

c £40,000 + Benefits City

Our client, a well established firm of City Stockbrokers, has recently undergone a period of significant growth and has ambitious plans for the future: as a direct consequence they have identified the need for an Associate Director to control and optimise the firm's expanding Treasury operations.

Reporting to a Director, the role will have overall responsibility for managing Client and Firm's monies to the best advantage of both, and will involve close liaison with the Compliance and Finance Departments in order to ensure adherence to the requirements of SFA and LSE rules and regulations.

The successful candidate must have entrepreneurial flair and have the

ability to develop in line with the anticipated growth and development of the Firm.

Ideally, candidates should be aged between 35 and 45, and have at least three years' experience in working in a senior managerial capacity within the Treasury function of a firm of Stockbrokers. A good understanding of the short and longer term implications of TAURUS, Rolling Settlement and DVP may prove useful.

Interested candidates should send or fax their CVs, quoting current salary to Carol Jardine at MCW Associates Ltd, Communications Centre, Thames Wharf Studios, Rainville Road, London W6 9HA Fax 071-381 6217.

### INVESTCO MIM

### COMPLIANCE

CITY

c. £25,000 + Benefits

INVESTCO MIM is one of the leading global investment management organisations with group funds under management of £22 billion on behalf of pension funds, development capital funds, charities, investment and unit trusts and PEP funds. We seek to strengthen our existing compliance team through the appointment of an additional assistant.

Working within our newly created Corporate Services Department encompassing our established legal, company secretarial and compliance functions, the successful candidate will have responsibility for assisting in monitoring compliance with SRO rules (principally IMRO and LAUTRO). In addition, the candidate will be encouraged to expand the role into company secretarial work.

Candidates should preferably be aged 25 - 35, have an accounting/audit background and ideally be professionally qualified, although applications will be considered from those who are partially qualified. Knowledge of the securities industry and the SROs would be a distinct advantage.

The benefits package will include subsidised house loan, profit sharing and non-contributory pension scheme.

Applications, including full curriculum vitae, should be sent to:

The Personnel Manager  
INVESTCO MIM Holdings Limited  
11 Devonshire Square  
LONDON EC2M 4YR

### MANAGING DIRECTOR REQUIRED FOR MEDIUM SIZED PAINTS AND CHEMICALS COMPANY.

Young, aggressive and result orientated candidates with previous proven industry experience should apply immediately to:

Box A439, Financial Times, One Southwark Bridge, London SE1 9HL. Attractive Financial Terms and prerequisites will be offered



## ACCOUNTANCY COLUMN

## Institute declares war on its growing deficit

By Andrew Jack

DEEP IN the recesses of Moorgate Place in London, home of the Institute of Chartered Accountants in England and Wales, there is a metaphorical sound of clanking. Council members are clanking into suits of armour as they prepare for battle.

After six years of timidity, the decision-makers are gearing up for a spring offensive against the critics in their own ranks. They say they need a substantial rise in subscriptions to preserve and expand their activities.

As news has trickled out from the council's annual "conference" in Birmingham last weekend, it emerged that there had been unanimous approval for an increase. Proposals to go before members at their special meeting in June suggest rises in all fees charged for 1992 except those for retired members.

The principal changes are a 215 rise in the annual subscription to £115 for UK and other EC members of more than five years' standing, with further rises of 12.5 per cent above inflation for the following two years; an increase in practising certificate fees from £36 to £50, with similar rises over the next two years; and a jump in the admission and re-admission fees from £178 to £285 from the beginning of next year, and to £400 from the start of 1994.

"The institute really cannot continue to have annual deficits," Mr Ian McNeil, the president, warned in a statement on Monday. "Without substantial increases in funding, the only alternatives would be to cut essential services to members and to reduce our activities."

Mr Andrew Colquhoun, secretary

and chief executive, said on Monday that the institute is likely to reveal a deficit of £200,000 for the year to December 31 1991 when audited figures are released in March, and projected a deficit of £500,000 for 1992. That comes on top of a deficit for 1990 of £533,000.

It might seem ironic that the professional association for chartered accountants was not able to balance its books in 1990, and does not anticipate doing so for the following two financial years. But Mr Colquhoun has a series of responses that are by now well-oiled.

"There is nothing unique in our financial problems," he says. "At their root is the fact that our rates are very low in real terms. The Chartered Accountancy qualification offers a price comparable to membership of a golf club."

Other accountancy bodies in the UK and abroad are struggling with similar deficits, he argues. So are the equivalent bodies in other professions, which often charge more (330 last year for the Law Society). Members of the Scottish and Irish accountancy institutes pay more than their English and Welsh counterparts.

While revenues have remained static, the recession has started hurting the commercial activities of the institute, particularly the publications division. Money from recruitment adverts has declined sharply, for instance, and Mr Colquhoun predicts it will not pick up again until well into 1993.

At the same time, operating costs have continued to rise. ICAEW's obli-

gations to support stronger financial reporting standards (such as its contribution to the Accounting Standards Board) and its international commitments have stretched existing budgets.

"We can axe people or services but there is an impact on what is provided," he says. "We cannot have a situation of continuing deficits. More discretionary activities of direct benefit to our members may be squeezed out. But we must continue to properly

**It might seem ironic that the professional association for chartered accountants was not able to balance its books in 1990, and does not anticipate doing so for the following two years**

fund our public interest commitments."

The council has held back from proposing a large increase in subscriptions since 1985, when it was defeated by just 0.3 per cent in a vote of all members. It estimates that the decision cost it £8.4m in foregone revenue up till the end of last year.

Now they are ready for a new fight. "I believe we have a much better campaign this time," says Mr Colquhoun. In 1985, he says, there was hardly any argument put forward by the council for a substantial rise. Last autumn, by contrast, the case was put forcefully in an eight-page discussion paper sent

to members called "Financing the Institute".

The result has been one of the largest mailbags the ICAEW has ever received on an issue. While those who write are not a representative sample, officials draw comfort from the fact that about half the correspondents have supported the council.

Nevertheless, there are serious concerns voiced by members about the need for an increase, or wider doubts about the direction of the institute and the services it provides that have been stoked by the suggestion of bigger subscriptions.

One view is that the ICAEW neglects parts of its constituency, pandering to the larger accountancy firms while offering relatively little to smaller practitioners or those outside practice. Others suggest that with an increasing range of powerful independent bodies regulating aspects of the profession - such as the Accounting Standards Board and the Audit Practices Board - its importance is waning.

A meeting at the institute last year drew a parallel with the medical profession, which has two separate bodies: the General Medical Council, which regulates the profession and disciplines its members, and the British Medical Association, which represents doctors' own professional interests. The ICAEW, some suggest, might have to move in that direction to survive.

There are more direct concerns about costs relating to the subscription increase as well. The ICAEW currently employs about 460 staff, a significant number by any standards and

## COMMERCIAL MANAGER

Airport &amp; Downtown

DUTY-FREE

JOINT VENTURE IN ROMANIA

This joint venture between a successful and imaginative international group and positive thinking Romanian State Authorities seeks a commercially astute, dynamic, Qualified Chartered Accountant or equivalent with minimum 5 years' PQE gained at management level within the duty-free or department stores fields based in Bucharest in early 1992.

To take up this exceptional challenge, you must be fluent in Romanian and English, have a proven record in managing and motivating staff, possess clear presentation and communication skills, accustomed to a high level computerised environment, capable of setting up and handling effective systems & controls, responsible for implementing all accounting and administration functions, able to operate autonomously whilst retaining a flexible team-spirited attitude - all in all you are expected to make significant contributions to the successful planning, building and profitability of the J.V.

The prospects for long-term personal and professional opportunities and progression within the Group are excellent for the above described outstanding individual now happily employed but seeking greater freedom of career expression and enhancement in this most exciting field.

Interviews will be held in S.E. Asia and London in early February. Please forward detailed resume with a covering letter, full credentials, salary history and requirements no later than January 27th, 1992 to:

Box No: A1733 Financial Times,  
One Southwark Bridge,  
London SE1 9HL

Leading Pension and Benefit advisors require consultant with specific emphasis on Pension Fund Annual Report preparation and analysis and Pension Fund investment strategies. Must be a qualified Chartered Accountant with Audit and securities industry experience. Minimum 2 years experience essential.

C.V.s to Box No: A1735 Financial Times,  
One Southwark Bridge,  
London SE1 9HL

PRP  
SEARCH & SELECTION

## Finance Director

Retail Consumer Durables

c.£45,000 + car + bonus

Leicestershire

Our client is the successful and autonomous retail arm of a £1 billion turnover plc. The division and parent are experiencing unprecedented change and growth and the working environment is exceptionally dynamic and challenging. Due to internal reorganisation, a Finance Director is required to join the closely-knit and high calibre Board.

## THE POSITION

- Reporting to the M. D. Retail, you will develop the management and staff of the Finance and Systems areas.
- Manage the timely preparation of monthly and annual financial reports, budgets, forecasts and 3 year plans for Retail and Servicing.
- Develop the existing information systems for Retail and Servicing.
- As a member of the Retail Board, assist in improving the profitability of the Division.

Interested candidates should write enclosing full C.V. and daytime telephone number quoting ref. 204 to:  
PRP, 9th Floor, Elmsman House,  
12-20 Camomile St., London EC3A 7PJ.

## THE REQUIREMENTS

- A qualified accountant with a proven track record of successful financial management, within a fast moving environment in the service sector.
- Aged 37-47, you will be a first rate technical accountant, with a 'hands-on' management style.
- A background in developing and operating sophisticated financial systems is a pre-requisite.
- A whole-hearted, committed approach to your work is essential in order to fit in with the culture of the management team.

**Philip Rice**  
PARTNERSHIP

## Financial Planning Manager

City To £50,000 pa + bonus, bank benefits and car

Standard Chartered, a major international banking group, operates in more than 50 countries worldwide. The Bank maintains a long standing presence throughout the Asia Pacific, Middle East and Africa regions and is an acknowledged market leader in the delivery of high quality trade finance, treasury and foreign exchange services across its extensive network of branches and subsidiaries.

We are seeking to recruit an exceptional, qualified accountant capable of handling a broad ranging role, covering issues vital to the Group's continuing development. Key tasks will include evaluation of projects and financial performance, budgeting and long-term forecasting, as well as strategic and M&A work. Candidates must have a sound understanding of technical accounting and tax issues. As a member of the Group's Financial Planning team, the position involves frequent

international travel and liaison at the highest level within the Group.

The successful candidate will probably have five years' post-qualification experience and be aged 30-35. Candidates should display high levels of commitment and achievement and must be geographically mobile. The ability to communicate financial issues effectively to senior management throughout the Group is of paramount importance. Experience within financial services is preferred but not essential. Career prospects are excellent with the opportunity to follow previous team members into an operating unit, either in the UK or overseas, within a relatively short timescale. Please write, in confidence, with full career and remuneration details, as well as home and day telephone numbers, to James Forte at KPMG Selection and Search, quoting reference 8723.

**Standard Chartered**

**KPMG Selection & Search**

2-3 Dorset Rise, Blackheath, London EC4Y 8AE

## CONTROLLER

My client is the UK brand leader in its field and a part of a national manufacturing giant. Products are mainly for the automotive and electronics industries. The UK head office is located in an easily accessible business park office development.

Reporting to the Head of Finance, the incoming appointee for this new position will assume broad responsibilities for the accounting and financial management activities of a turnover of £20m. Due to substantial growth and diversification over recent years a new computer system is being installed and the finance function's structure is to be redefined.

Candidates will be young chartered accountants who are considering leaving the profession, or those who have held a general accountant position of some responsibility, where the opportunity existed for making commercial judgements and exercising leadership qualities. The need for strong interpersonal and communications skills is vital. The role offers growth potential.

Please apply in writing to Peter Barnett, quoting ref. 9085 at Barnett Consulting Group Ltd, Providence House, River Street, Windsor, Berkshire SL4 1QT. Telephone: 0753 856723.

## Worldwide Achievers

American Express occupies the premier position in the world's leading Travel Related Services company.

As you would expect, the quality of our staff is of paramount importance in the maintenance and promotion of this standing. We work together under the banner of Worldwide Achievers.

## FINANCE OPPORTUNITIES - Brighton

Truly ambitious people are rare, and opportunities for them to prove their abilities and develop skills are even rarer. Few people have the professionalism and confidence necessary to make a real name for themselves in the fast moving world of international finance.

## Newly Qualified Chartered Accountants

**Financial Reporting and Planning.** You will be responsible for preparing and presenting operating results to Senior Managers. A clear, incisive mind is vital for the analysis and interpretation of financial results and business trends. You will be in close contact with finance staff throughout Europe. Having trained at one of the top five companies you will have experience of US General Accounting Practice.

**Audit.** Conducting operational and financial reviews throughout the Banking and Travel Related Services Divisions in UK and Europe, you must be prepared to spend a substantial amount of time abroad.

**Internal Control.** A high profile area with control responsibility for UK, Scandinavia, Middle East and Africa. You will make a pro-active role in maintaining the integrity of Financial Records, safeguarding the company's assets, their efficiency and effectiveness.

We also require a recent finance/business graduate prepared to gain a professional accountancy qualification to provide support in these areas.

## Treasury

**Project Manager.** Undertaking wide-ranging analysis, co-ordination and controlling of Treasury related projects with particular emphasis on funding foreign exchange and cash management operations throughout Europe, the Middle East and Africa.

**Two Treasury Analysts.** One responsible for Bank account cash management routines for certain European countries and the other assisting with the management of Foreign Exchange exposures. An understanding of International Banking is essential. Professional qualifications would be an advantage.

For all these positions PC skills are essential and languages would be an asset. If you have the necessary qualifications, drive and enthusiasm to become a 'Worldwide Achiever', the rewards are considerable. Starting salaries for the above positions are highly competitive and include mortgage subsidy and other benefits.

Assessments for these positions will take place on Sunday 9th February. Closing date for applications is 30th January 1992. Please send your C.V., stating which position you are interested in, to:

Natalie Seward, Human Resources,  
American Express Europe LTD.,  
Amex House, 8th Floor, Edward Street, Brighton BN2 2LP.  
For more information please call 0273 526433.

## Price Waterhouse

EXECUTIVE SELECTION

## Group Treasurer and Secretary

£35,000-£40,000 + bonus + benefits Cheltenham

Our client is the UK arm of a £2.5 billion turnover European Group with operations throughout the world. The UK companies are principally engaged in the manufacture of aluminium products and in trading activities on a divisional basis.

Reporting to the Group Chief Financial Officer in Switzerland, the UK Group Treasurer and Secretary provides a treasury management, legal and company secretarial service to the UK operations. Treasury responsibilities include the arrangement of loan facilities with the Group's banks as well as meeting foreign exchange needs. Company Secretarial duties include overall responsibility for

the Pension Fund in addition to a wide ranging legal advisory role, liaising with subsidiary management over contractual and litigation matters.

Candidates will be qualified Chartered Accountants and may supplement this with ACT or ACIS. Aged at least 33 you will have held a corporate treasury management post and will be familiar with bank negotiations and with a range of financing measures. You should be confident in Secretarial matters and will have been involved with pension fund management. Your broader commercial knowledge should enable you, with assistance from the Group's lawyers, to understand

and advise on legal matters. Mature, tactful and trustworthy, you should be prepared for hard work and able to function autonomously. Knowledge of either French or German would be an advantage.

Generous relocation is available for the right individual. Interested applicants should write, quoting reference MCS/8934 and enclosing a CV and salary details to: Mark Hartshorne, Executive Selection Division, Price Waterhouse Management Consultants, Livery House, 169 Edmund Street, Birmingham B3 2JB



## GROUP FINANCE DIRECTOR

Consumer Durables

M4 Corridor

c.£60,000

Our client is a medium sized quoted FMCG manufacturing company with a turnover of c.£40M. The Group has experienced exceptional growth since its inception through strong product development and, latterly, the development of an overseas sales and marketing strategy. As head of the Group Finance function, reporting to the Chief Executive and to the Board, you will be able to demonstrate success in a similar role ideally within a manufacturing environment coupled with some international exposure. Responsibilities will include the

enhancement of relationships with institutional investors and advisors and major input to the Group's overall commercial strategy. Candidates are likely to be aged between 33 and 45. This is a key appointment requiring the highest level of general and financial management skills whilst at the same time necessitating a hands-on style. Candidates should submit career details by Monday 27 January 1992 to David Pottier, FCMA

Wheale Thomas Hodgkins PLC,  
9 Unity St, Bristol BS1 5HH.  
Please quote Ref: B405/FT.



WHEALE THOMAS HODGKINS PLC

NORTH WEST

TO £35,000 + CAR

## Financial Controller

This long established family controlled business is embarking on a major re-organisation including the relocation of its Head Office from London to the North West. The Company which is primarily engaged in commodity trading on a world-wide basis has recently been given new focus improving operational effectiveness and continued successful expansion.

Reporting to the Managing Director and part of a small energetic management team you will be expected to make a significant contribution from day one to the decision making process. Key tasks will include the development of financial and management systems, enhancement of management reporting, together with tax, treasury management and company secretarial issues.

A young qualified accountant, ideally aged 27-35, with good commercial skills, you will have a hands on approach and a firm belief in teamwork. Experience of multi currency transactions and working in an international trading environment would be a distinct advantage. A board appointment is envisaged in the short/medium term.

Please send full personal and career details including current remuneration level and daytime telephone number, in strict confidence to Angela McDermott, Coopers & Lybrand Deloitte Executive Resourcing Ltd., Richmond House, 1 Rumbold Place, Liverpool, L3 9GS quoting reference 252AM.

Coopers & Lybrand  
Deloitte Executive Resourcing

## DEVELOPMENT CAPITAL EXECUTIVE

First Step into Financial Services for Newly Qualified Accountant  
Central London To £30,000 + Banking Benefits

Morgan Grenfell Development Capital was established only two years ago as the fourth operating division of the international merchant banking group. Morgan Grenfell. It is now recognised as one of the UK's leading teams in the management buy-out market.

The successful candidate, operating as part of a small team of professionals will receive a thorough induction to the development capital industry with particular emphasis on management buy-outs and will be involved in research, the preparation of investment reports, reviewing legal documentation, client negotiation and monitoring the investment portfolio.

The nature of the role demands a high calibre individual who will have the ability, energy and ambition to succeed in a stimulating and dynamic financial services environment.

Aged 24-26, candidates will be graduate Chartered Accountants who must have strong analytical, interpersonal communication and computer modelling skills and be able to demonstrate a sharp commercial focus.

The position offers excellent scope for progression both within the division and the Morgan Grenfell Group in the UK and overseas.

Please apply directly to Collette Harrison at Robert Half, Freepost, Walter House, Bedford Street, 418 The Strand, London WC2R 0BR. Telephone: 071-836 3545. Alternatively, fax your details on 071-836 4942.

Financial Recruitment Specialists  
London · Birmingham · Windsor  
Manchester · Bristol · Leeds  
Southampton · Wolverhampton  
Brussels · New York and 52  
offices worldwide

**ROBERT HALF**  
THE HUMAN FACTOR

## Management Accountant

Improving business practices

City

To £35,000+ benefits

Our client is a leading, progressive City law firm which provides the full range of legal services to a prestigious UK and overseas client base. Recognising that its reputation for excellence is built not only on professional expertise but also on the quality of its business support functions, the practice wishes to recruit a management accounting specialist to complement the skills of its existing accounts team.

Reporting to the Financial Controller, you will prepare monthly management accounts, conduct profitability and variance analyses, prepare budgets and be responsible for the development of innovative management reporting procedures.

You are a graduate qualified accountant with sound experience of modern management accounting techniques in a commercial environment. Familiarity with computerised systems and spreadsheet applications is essential. Your personal attributes include sensitivity to the nuances of a partnership culture, together with the interpersonal skills to establish credibility at all levels. However, previous experience in a professional practice is not necessary.

Please write in confidence, enclosing full career details to Tim Knight quoting reference C2739/7.



Selection &amp; Search

2-3 Dorset Rise, Blackfriars, London EC4Y 8AE

SEEKING  
NEW  
CHALLENGE

Economist, 27, M.A.  
Cambridge, Research  
Master's Degree.  
British, with fluent  
French, Dutch and  
German.

Experienced in  
East European Markets  
and E. C. affairs.

Currently living in  
Brussels.

PLEASE CONTACT:-  
Tel: (32-2) 731-0206  
Fax: (32-2) 741-1601

## APPOINTMENTS

ADVERTISING  
appears every

Wednesday &amp;

Thursday &amp;

Friday

(International

edition only)

Ambitious  
Graduate  
Accountant

to £40,000 + Car + Benefits

This opportunity is for an individual enlivened by an environment akin to a high-calibre professional office — the challenge of working with highly motivated and intellectually able colleagues who operate with the minimum of bureaucracy.

The task is to manage successfully the financial accounting function and its interface with management reporting. Recognised as the linchpin of the organisation's financial control, this position reports to the Finance Director and also carries responsibility for accounting systems and control of the tax compliance function. Success will require a strong curiosity about the business and its products, the desire to set accounting figures in their business context and a commitment to precision. There are interesting career development possibilities and precedents which are actively encouraged by the Company.

The client is a specialist financial services business that is successful, well regarded and powerfully backed. They need a big six qualified graduate accountant with a high grade degree and a minimum of three-four years' post-qualification experience outside the profession. Well developed communication skills and the ability to analyse problems from first principles are pre-requisites. Experience of accounting for hedging instruments (futures, swaps etc) though not essential, would be particularly relevant. Location — central London.

Please apply in confidence quoting Ref. L505 to:

Brian H Mason  
Mason & Nurse Associates  
1 Lancaster Place, Strand  
London WC2E 7EB  
Tel: 071-240 7805

**Mason  
& Nurse**  
Selection & Search

SOUTHERN  
ELECTRIC

Price Waterhouse

EXECUTIVE SELECTION

Head of Corporate  
Financial Planning

A key reporting &amp; investigatory role

c. £40,000 plus car and bonus Maidenhead

Southern Electric is the largest (by market capitalisation) of the 12 regional electricity companies in England and Wales and has a turnover exceeding £1.5 billion.

Post-privatisation, our strategy for the future is focusing upon reducing costs, improving services and growing our core electricity business through effective energy marketing both within our residential customer base of central southern England, but also to large commercial and industrial customers across England and Wales.

We are looking for an enthusiastic, ambitious, and strongly self-motivated qualified accountant to head up our corporate financial planning team (comprising three units — financial planning & modelling, management accounting and financial systems).

This is a wide ranging and demanding role. Monitoring on-going

performance; analysing company-wide trends; making presentations to and advising senior group management; financial appraisal of potential acquisitions; preparing investor relations material; evaluating capital expenditure proposals; providing input to our corporate plans; — and more.

Managing and further developing the contribution of this function means that you must have had strong exposure to broadly based financial and management accounting systems as well as company re-organisation/acquisition deals within a major plc. You'll need first class written and verbal communication skills, and a strength of character and mental toughness that enjoys the limelight and thrives under pressure.

Make no mistake — this is no static role. We need a strong lateral thinker with vision — possessing the self-

confidence, cutting-edge, drive and ability to "take charge" — indicative of someone who will make a significant impact on our ability to monitor and run our business. In return, progression within our operation is wide open — restricted only by your personal hunger and ambition.

Write, quoting reference H/1223/FT enclosing a full CV and salary details to our advising consultant, Hamish Davidson. Tell him why and how you would make a difference and the extent to which you could successfully take on and develop all the varied aspects of this role.

Executive Selection Division  
Price Waterhouse  
Management Consultants  
Milton Gate, 1 Moor Lane  
London EC2Y 9PB  
Tel: 071-939 6312  
Fax: 071-638 1358

Senior Manager  
Forensic Accounting

City

c £50,000

Robson Rhodes are a leading medium sized practice which has taken a visionary and positive lead in restructuring core activities. We concentrate on quality niche services which provide significant added value. We are enjoying significant growth in these premium services. Through being innovative, highly skilled advisers and encompassing a thoroughly commercial attitude we have developed a strategic business with the goal of providing a total quality service to clients.

We now have a requirement for a Senior Manager to join our forensic accounting unit to work on professional negligence claims, resolution of commercial disputes, international fraud investigations and expert determinations. The unit enjoys an exceptionally high profile within the firm with substantial senior partner involvement. It has grown substantially in recent years through this commitment particularly with the winning

of new assignments on a regular and consistent basis.

Ideally you will be a Chartered Accountant with the ability to communicate across accounting, legal and insurance disciplines at the highest level. With first class presentation skills and a penchant for key detail, you will need to be highly organised and able to meet strict deadlines. The role will be based in London but will involve travel and responsibilities throughout the UK and overseas.

Salary will be commensurate with experience, potential, and ability.

For further information or to arrange an initial meeting please call Charles Ferguson or Chris Nelson, our retained consultants, at Michael Page Finance on 071 831 2000, or write to them at Page House, 39-41 Parker Street, London WC2B 5LH.

ROBSON RHODES

Chartered Accountants



## CHIEF ACCOUNTANT

c.£28,000 + car

Cheshire

This leading European chemicals, pharmaceuticals and metals group has substantial and expanding UK operations, and now seeks to appoint an experienced accountant to strengthen its financial expertise. Managing a team of twelve, your responsibilities will include all aspects of financial and management accounting, including the preparation of accurate and timely monthly management and annual statutory accounts, pay roll and credit control.

Professionally qualified, you will have sound commercial experience together with excellent communication and man-management skills. The ability to work with a high level of autonomy and to tight deadlines is essential, and candidates should also be capable of developing into a more senior role in due course.

To apply please send cv indicating current salary to: Bethan Keir, Ref: 5500/BK/FT, PA Consulting Group, Fountain Court, 68 Fountain Street, Manchester M2 2FE. Tel: 061-236 4531.

**PA Consulting Group**

Creating Business Advantage

Executive Recruitment • Human Resources Consultancy • Advertising and Communications

## PENTOS

### Corporate Finance / Systems Development

MBA/ACA

28 - 35

c. £55,000 + Bonus, S. Options, Car

Pentos is the UK's leading specialist retailer of books, posters, prints, greetings cards and commercial stationery, trading from over 400 outlets through a powerful portfolio of brands which include Athena, Dillons, Hatchards and Ryman. Group activities also include a well established and profitable office furniture division.

Despite the adverse economic climate, this dynamic group has achieved outstanding growth through a selective strategy of organic and acquisitive expansion and it is well placed to maintain this impressive record.

There is a need for an outstanding individual to create, develop and coordinate strategic initiatives within the group. Based at the group's Head Office in London, responsibilities will include:

- Evaluation and appraisal of strategic options, including acquisitions, disposals and other business ventures;

**ST. JAMES ASSOCIATES**

MANAGEMENT SELECTION

32 Old Burlington Street, London W1X 1LB Fax: 071-287 2821. Telephone: 071-287 2820.  
A GKR Group Company

ESSEX

c £50,000 + CAR

## Group Finance Director

With turnover approaching £30m, our client is a well established provider of services in the air transport industry. Sales and profits have significantly increased despite the current recession, as a result of positive marketing and cost containment, underpinned by long term contracts from blue chip companies.

As Finance Director you will be one of the three top executives in the group. Major aspects of your role will be ensuring the provision of quality management information to enhance decision making; raising finance to support continued growth; and supporting managing directors in contract negotiation.

A qualified accountant, you will be already at board level in industry. Previous exposure to aviation, engineering or a contract based activity will be a plus.

Please send full personal and career details in confidence, including current remuneration level, to Edward Simpson, Coopers & Lybrand Deloitte Executive Resourcing Ltd, 78 Shoe Lane, London EC4A 3JB, quoting reference ES888 on both envelope and letter.

Coopers & Lybrand Deloitte Executive Resourcing

### CLARKS CHARTERED ACCOUNTANTS

We are seeking a young Chartered Accountant with good all-round training and at least one year's experience of insolvency.

The successful candidate will be required to carry out a range of assignments including corporate recovery and insolvency.

The firm currently has three insolvency licensees and the applicant will be expected to obtain the necessary qualifications to become licensed.

Apply in writing with full CV. to:-

Clippemham Court, Clippemham Lane, Slough SL1 5AT

## Management Accountant

London SW1

c£33,000

Our client is a small quoted UK oil and gas group. Since its incorporation three years ago it has built a UK and international portfolio of exploration and production assets.

As a result of its rapid expansion and to meet its future plans, there is now an immediate requirement for a qualified accountant to join their small, professional team.

Reporting to the Finance Director, the role will encompass budgeting, planning, financial and management accounting. The successful candidate will become involved in PC system developments, cash management and taxation.

Candidates should be qualified accountants who feel that they could make an immediate contribution in a demanding environment. Previous oil industry experience is desirable but not essential.

Interested candidates should send a curriculum vitae quoting ref: 568 or telephone:

Nigel Hopkins FCA, 97 Jermyn Street, London SW1Y 6JE. Tel: 071-839 4672 Fax: 071-925 2338

**Cartwright Hopkins**

FINANCIAL SELECTION AND SEARCH

## Computer Audit Manager

Recently Qualified ACA -  
Tackle the systems behind the success.

Circa £35,000 + Car + Financial Sector Benefits  
Chatham, Kent. Relocation Package Available

Black Horse Financial Services, a subsidiary of Lloyds Abbey Life plc, with over \$1 billion under investment, is one of the fastest growing life and pensions groups in the country. Our continued growth, and our plans for expansion, have given rise to the need for a Computer Audit Manager.

This is a new position, reporting to the Chief Internal Auditor and the wide ranging brief will include establishing a computer audit function, preparing and developing audit standards and plans, managing and controlling computer audits, and the recruitment, training and development of staff.

Applicants should be graduate chartered accountants who having qualified within a large firm environment, have gained at least two years relevant post qualification experience either in the profession or a major commercial organisation. While financial services and IBM mainframe experience would be desirable, of far greater significance will be your well

developed commercial and interpersonal skills. This is a genuinely high profile role requiring applicants who can market both themselves and their department within the Company, and exploit the many opportunities for career development.

In return for your commitment, professionalism and talent, we are offering a benefits package that includes a quality company car, a mortgage subsidy, other large company benefits and if required a relocation package.

For further details and to arrange an interview, please contact our consultant Adrian Simpson BSc ACA, at Barclay Simpson Associates, Hamilton House, 1 Temple Avenue, Victoria Embankment, London EC4Y 0HA. Telephone 071-936 2601.

**Black Horse Financial Services**

### TROUBLE SHOOTER

Wokingham, Dorset £31,000 per annum. Career opportunity for a qualified accountant (ACA) to join a diverse PLC with interests from hi-tech manufacturing to insurance. Duties include the financial management of the company, including group accounts and tax management.

### CHIEF ACCOUNTANT

Eastleigh, Hants £30,000 per annum. A household name electronics group seeks a qualified accountant (ACA) to develop a new division. Controlling a staff of 15, managing costs, contract costing, project control & systems development will be major duties.

### MANAGEMENT ACCT.

Canvey Island/Luton £27,000 per annum. Multinational manufacturer of engineering products seeks three qualified accountants (ACA) at the above locations, to be responsible for major projects. Full relocation package available.

### MANUFACTURING ACCT.

Barnstaple, Devon £27,000 per annum. Our client have won a major export order and thus seek an additional qualified accountant (ACA) to be involved with the preparation of management accounts, costing and systems development. Some travel to Europe.

### IN BRIEF

Commercial Manager	£45,000 per annum
Computer Auditor (ACA)	£35,000 per annum
Audit Manager (ACA)	£30,000 per annum
Manager, Accounts Mgmt (ACA)	£30,000 per annum
Manufacturing Acct	£30,000 per annum
Oil Accountant	£27,000 per annum
Newly Qualified	£25,000 per annum
Construction Acct	£24,000 per annum
MOO experience	£24,000 per annum

### DEBOO EXECUTIVE

102 Old Street London EC1V 9AY  
Telephone: 071-253 1216 (24hrs) • Fax: 071-253 2750

## CORPORATE FINANCE EXECUTIVE

London 27 + 25-40k + car

We are a leading corporate finance boutique advising acquirers and vendors on deals worth between £2 million and £50 million. To meet increasing demand for our services, we need to recruit another executive:

- a graduate and probably either a qualified chartered accountant, lawyer or MBA
- with at least twelve months' experience in acquisitions and disposals, gained working for a quoted group or a corporate finance department in the City
- keen to work in a demanding, entrepreneurial and fast-paced environment, which offers rigorous training and opportunities to earn promotion and high financial rewards

Please send your CV, details of your present salary and a daytime telephone number to:

Barrie Pearson, Livingstone Fisher Plc, Acre House, 11-15 William Road, London NW1 3ER.

**LIVINGSTONE FISHER**

## FINANCE DIRECTOR

Required for

LEICESTER BASED ENGINEERING COMPANY

Our client is a profitable Leicester based engineering company which has shown considerable growth and expansion over the last few years and now requires an experienced Finance Director to manage its financial and internal accountability department. Applicants should be between 30 and 45 years of age and ideally should live in the Leicester area. Salary and benefits negotiable.

Please apply in writing to:

Richard F. Messik FCA, Bellman Messik, Chartered Accountants, 6th Floor Winchester House, 259-269 Old Marylebone Road, London NW1 5RA

## Accounts Manager

Where Innovation is Fully Appreciated

c£27,500 + car

Manchester

With our electronics products at the forefront of their market segments, an enviable growth curve and an unyielding commitment to excellence, our name has become synonymous with innovation. A quality we also look for in our people. To succeed as Accounts Manager in this dynamic arena, you'll need the vision and creativity to play a pivotal role in our financial success.

We now have an opportunity for an Accounts Manager and are looking for an ambitious accountant with the talent to take on a broad-based, pro-active role.

Reporting to our Financial Controller, your role will be to manage and co-ordinate our accounts function which spans 14 profit centres, and to actively contribute to financial growth. More specifically this involves managing and preparing timely reports, initiating investigative reports and extensive liaison with external organisations.

A fully qualified accountant with at least 3 years' post qualifying experience gained in a commercial environment, you must have first-hand experience of implementing and developing sophisticated computerised accounting systems. In addition, you'll need well-honed communication and interpersonal skills to enable you to inspire the confidence and co-operation of your own team, as well as colleagues in other functions.

We will reward your professionalism with an excellent salary and the kind of benefits you would expect from a company of our standing, including fully expensed company car and BUPA.

In the first instance please write or telephone for an application form to: David Wakefield, Personnel Manager, Sharp Electronics (UK) Ltd, Sharp House, Thorp Road, Newton Heath, Manchester M10 9BE. Tel: 061-204 2462 (Direct Line).

**SHARP**

## THE PHILHARMONIA FINANCE DIRECTOR

West End

Package c.£35,000

London's leading orchestra has established an enviable reputation both nationally and overseas. With a well-defined strategy for continued development, they seek to strengthen the management team through the newly created appointment of a Finance Director.

Reporting to the Managing Director, the position will encompass responsibility for the effective management of the finance and administrative functions. Particular emphasis of the role will be:

- to provide timely and accurate financial and management information, ensuring sound analysis and reporting standards
- to continue the development of computerised accounting and management information systems

- to be responsible for efficient management of the office and personnel functions

Candidates will be computer literate, qualified accountants with a successful record as an innovative financial controller in a small company environment. Commercial awareness and maturity will be essential characteristics together with excellent communication skills and the ability to adopt a diplomatic, yet authoritative approach.

Full CV should be sent to: Sue Sherill, Baker Tilly Management Consultants, 22-24 The Courtyards, Croxley Centre, Hatters Lane, Watford, Herts, WD1 8RR

MANAGEMENT CONSULTANTS  
**BAKER TILLY**

## STAND OUT FROM THE CROWD

Maximise your potential in tomorrow's employment market



Demand more than well meaning Career Counselling or Outplacement advice. Insist on real direction to your job search based on current market intelligence and interview feedback with the most advanced Outplacement and Outplacement facilities. Our subsidiary InterExec accesses over 6000 unadvertised vacancies annually - mostly between £40,000 and £200,000 p.a. - and makes recommendations from its approved candidate bank without charge.

Telephone Keith Mitchell on 071-930 5041 for an exploratory meeting without obligation

Leicester House, 19 Charing Cross Road, London WC2H 0ES. Tel: 071-930 5041. Fax: 071-930 5048

INTEREXEC PLC - means much more



# FINANCIAL CONTROLLER

AT THE LEADING EDGE OF THE NEXT STEPS INITIATIVE

Central London  
c.£40,000 + performance pay

The Government's Next Steps initiative has resulted in fundamental and far-reaching change in many parts of the public sector, with many new organisations being formed and long-established attitudes replaced by a new service-orientated regime. This trend is underlined by a firm commitment to the principles of Total Quality Management. Owing to an internal restructuring in response to these radical changes, this leading service provider is strengthening its central senior management team with the addition of a high-calibre finance professional.

Reporting to the Director of Finance, you will have total control of this major organisation's finance function,

including a significant new systems development. Managing a substantial team, you will be responsible for the production of all financial and management accounting information, including budgeting and planning, and will ensure that financial systems and procedures are sufficient to achieve the Total Quality objective.

A fully qualified accountant, probably in your 30s or 40s, you will have an impressive record of running the finance function of a large organisation and leading a large team. Knowledge of cash accounting is mandatory and equally important will be your ability to manage change and contribute to the evolution of this dynamic organisation. Experience of the public sector would be useful.

To apply, please send a full cv, indicating current salary, to Patrick Johnson, Ref: 5606/PJ/FT, PA Consulting Group, 123 Buckingham Palace Road, London SW1W 9SR.

**PA Consulting Group**

Creating Business Advantage

Executive Recruitment • Human Resource Consultancy • Advertising and Communications

## Financial Controller

Humberside to £45,000, car, benefits

Decentralisation of c.£560 million turnover division of FTSE 100 plc creates requirement for progressive finance professional. Key role in establishing c.£165 million turnover 'profit-centre' business unit.

### THE ROLE

Develop independent accounting structure to enhance financial controls and evaluate business performance. • Strengthen systems to improve reporting capabilities, management information, and maximise profitability. • Key member of management team with full involvement in development of business unit's strategic direction and general management.

### THE QUALIFICATIONS

Qualified Accountant. Aged 33-38. Previous experience of fm.c.g. environment, preferably food and drink, with major multiple retailer contact. • Excellent man manager, communicator and team player. Persuasive and action-centred style that achieves results. • Track record of successful implementation of profit improvement programme in sophisticated manufacturing environment.

Please reply in writing to Townsend House, 30 Monkgate, York, YO3 7FF enclosing a full curriculum vitae and quoting Reference RBH 1006. Telephone: 0904 670648 Facsimile: 0904 611079



**ROBINSON BROADHURST & PARTNERS**

SEARCH AND SELECTION

HALE - YORK

## FINANCIAL CONTROLLER

IMI Capital Markets (UK) Ltd plays a major role in the international operations of Istituto Mobiliare Italiano (IMI), one of the leading Italian financial services groups. The company arranges and participates in Euromarket transactions and, through its subsidiaries, actively trades International Equities.

The successful candidate will be responsible for the running of the accounting department reporting directly to the Chief Financial Officer.

The company provides a non-bureaucratic, pro-active, team orientated environment, and applicants should possess relevant post-qualifying hands-on experience, sound analytical and systems knowledge coupled with good communication skills, knowledge of SFA regulations and a strong academic background.

A generous starting salary is on offer together with outstanding benefits including subsidised mortgage, car and bonus.

Interested candidates should send a full curriculum vitae, including salary details and photograph to:

Mrs M McGurk  
Personnel Manager  
IMI Capital Markets (UK) Ltd  
Walbrook House  
23-29 Walbrook  
London EC4N 8BB



CAPITAL MARKETS UK

## Accountant - Lincoln's Inn

London WC2

to £35,000

The Honourable Society of Lincoln's Inn is one of the four Inns of Court, providing accommodation, educational and dining facilities to Barristers who are members of the Inn, and students. Revenue is derived from various sources, in particular property rents and catering facilities including outside functions.

Reporting to the Under Treasurer, the Accountant will assume overall responsibility for the efficient running of accounting and financial reporting activities, including the implementation of a new computer system. Emphasis is placed on increased financial awareness through communicating accurate and timely reports, especially in key commercial areas of property, catering and refurbishment projects.

You will be a Chartered Accountant (aged 30-40) with systems implementation experience, who thrives on involvement in day-to-day accounting matters. Presentational skills are also important as you will be required to attend and report at the various Committees of the Inn.

Please reply in confidence to:  
Jeff Adcock or Ben Colman,  
Clark Whitehill Consultants Limited,  
25 New Street Square, London, EC4A 3LN.  
Telephone 071 353 1577, Fax 071 353 0525.

**CLARK WHITEHILL**  
Search and Selection

Appointments  
Advertising  
Appears every  
Wednesday & Thursday  
(UK),  
and Friday  
(International Edition)

## EUROPEAN SYSTEMS ACCOUNTANT

Circa £30k plus car

Ashford, Middlesex

Headquartered in California with a European Head Office in the UK and seven European operating subsidiaries, Informix is one of the world's leading software companies. With the increasing penetration of open systems, we expect significant sales growth for our advanced relational database management software and tools throughout Europe, the Middle East and Africa.

The quality of our internal systems is a major factor in our ability to control and understand our business as it grows. Interfacing with systems written primarily with our own software, we are now standardising on Chameleon for our accounting systems throughout Europe.

To lead the continuing development of our accounting and other financial systems we now need to recruit a key player for our European finance team. Using our leading-edge graphical technologies and established software tools, you will be responsible for the preparation of incisive

presentation material for senior management, as well as analysis, control and exception reports.

You are likely to be a qualified accountant, but demonstrable experience of systems implementation and development is the most essential requirement. Knowledge of US GAAP and European accounting practices is desirable, as are a sense of humour and the ability to work to tight deadlines. The role will involve a significant amount of European travel.

If you have the right profile and want to join a winning team please contact our Recruitment Consultant Adrian Hardy at Marketing Moves on 0932 253352 (during office hours) or 0932 224766 (eves/weekends). Alternatively fax or send your CV to him at Marketing Moves, Romulus House, Church Road, Shepperton, Middlesex TW17 9JT quoting reference 421. Fax 0932 228886.

Third party applications should be directed to Marketing Moves.

**INFORMIX**

## FINANCE DIRECTOR

London  
W6

up to  
£40,000  
plus  
benefits



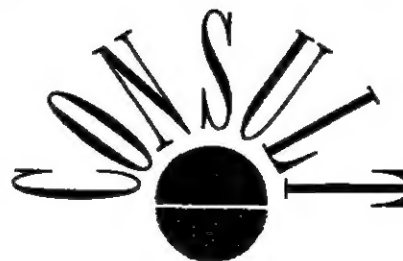
ORBIS

Orbis Publishing Ltd is the £35 million turnover UK subsidiary of the US\$600 million turnover De Agostini publishing group. The group is the world's leading publisher of partwork magazines and Orbis is a major part of the partwork division being responsible for publishing in the UK, German, Japanese and many other markets.

These multi-market operations are controlled from London and there is now a need to appoint a Finance Director to manage the financial affairs of this complex operation and to continue the development of the sophisticated systems that are required. Reporting directly to the Managing Director, the right candidate is likely to be a qualified accountant in his or her thirties and will be able to demonstrate both the necessary experience and maturity to carry out this important role effectively. In addition, he or she must be able to demonstrate from the start that they possess the ability to fully participate in the wider general management of the business.

Knowledge of the publishing industry is not essential but experience of international operations, taxation and currency management would be very valuable as would reasonable fluency in a European language. Similarly, it is expected that a candidate at this level would possess the inter-personal and negotiating skills necessary to handle relations with bankers and professional advisers and the effective man-management of the finance department which is small but consists of a number of qualified and experienced personnel.

If you believe you meet the criteria of this demanding position, please apply in writing enclosing a curriculum vitae to:  
The Managing Director,  
Ref LJ,  
Orbis Publishing Ltd,  
Griffin House,  
161 Hammersmith Road,  
London W6 8SD.



c £35,000  
+ car

Sussex

## FINANCIAL CONTROLLER

Our client is a highly successful subsidiary of a well established international group and a market leading manufacturer of electronic control systems and instrumentation for the chemicals, oil and processing industries. Product excellence and the ability to provide 'tailor made' systems solutions have ensured an outstanding reputation with an expanding worldwide customer base.

Participating at board level, this important position offers you the opportunity to be a high profile and influential member of a highly motivated management group.

Leading a competent team you will be responsible for all aspects of the finance function including the provision of financial and management accounts, reports, budgets and forecasts. Proactive involvement in all business spheres will be essential as you will closely advise managers with regard to contract terms, pricing strategy and the financial impacts of their own operational areas.

Aged around 30 to 35 and fully qualified, you are systems literate with demonstrable business acumen and managerial skills gained within a manufacturing, engineering or electronics environment. You are aiming to be a Finance Director within 3 to 4 years.

Please contact Richard Warner at CONSULT, Atlas House, 17 London Road, Hindhead, Surrey GU26 6AB. Telephone: 0428 606797 during office hours or 0252 724671 out of office hours (Fax 0428 607198).

## GROUP FINANCE DIRECTOR

QUOTED PLC

c £60,000 + Full Executive Package

South East

This fully quoted Pan European Sales Organisation is recognised as a leading supplier of specialist industrial engineering products.

It seeks to appoint a top flight group finance director to join the senior management team and help ensure the successful implementation of an ambitious development plan.

Reporting to the managing director and the board, the finance director will be responsible for the smooth running of the entire group finance and treasury functions including a number of international subsidiaries.

A chartered accountant, you will have a minimum of five years post qualification experience, probably gained within a large sales oriented service or manufacturing company. A 'Hands On' management style coupled with first class interpersonal and motivational skills are prerequisites to be successful within this fast moving and entrepreneurial organisation. European language skills together with the ability to liaise with external advisors and institutions would be a distinct advantage.

To discuss this outstanding opportunity further please contact Jonathan Cohen, on 081-954 8166 or fax 081-954 1755, or write to him enclosing a detailed CV at the address below.

4 Whitchurch Parade,  
Whitchurch Lane,  
Edgware,  
Middlesex HA8 6LR.



Tel: 081-954 8166  
Fax: 081-954 1755



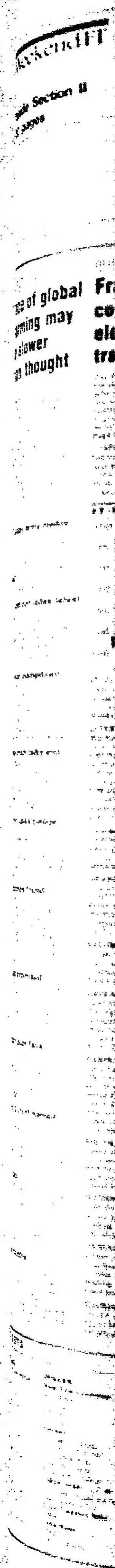


# WHERE TO NET THE BIG FISH.

Where else but on the FT's recruitment pages. If our post-bag from successful advertisers is a yardstick, FT readers both in the UK and around the world, produce a very high response and, more often than not, are placed in the top jobs they apply for. Reassuring for FT readers, but even more so for advertisers.

More senior European businessmen responsible for personnel, read the FT, than any other weekday newspaper. \*

The FT reaches more decision makers in many different markets. If you would like to find out more about them, please call Ben Hughes in London on Tel 71-873 4797.





# FINANCE DIRECTOR

LONDON NW1

AGE 35-45

TO £60,000 PACKAGE

This independent media communications company, dominant within the UK and European markets, is undergoing a period of exceptional growth. Commitment to a programme of investment in both people and technology underlies the company's success. Operating as it does in an unusual niche market, opportunities exist for making substantial profits.

This key appointment will assist the Board in the commercial and financial management of the

company as it continues to expand. The successful candidate will be a Chartered Accountant with experience of working within both large and small organisations covering all aspects of financial control and with the ability to contribute effectively to the senior management team's objective of maximising profits.

International exposure, particularly with regard to contract negotiations, tax and treasury, is essential as the company operates throughout Europe as the majority partner in several joint ventures. There

are plans to establish a presence in three more countries this year and so some international travel will be necessary.

This is an outstanding opportunity for a proven finance professional to join a dynamic management team.

Interested applicants should write or fax brief career details to Richard Parnell at Robert Walters Associates, 25 Bedford Street, London WC2E 9HP. Tel: 071-379 3333 Fax: 071-915 8714.

ROBERT WALTERS ASSOCIATES

LONDON WINDSOR BIRMINGHAM BRUSSELS AMSTERDAM PARIS

## COLCHESTER INSTITUTE

### Finance Controller

The Finance Controller, as a member of the Senior Management Team, will be responsible for developing and managing the Institute's financial systems and for controlling the £14 million budget. We are looking for a qualified accountant with at least 5 years previous senior management experience.

The Institute is the largest college in Essex, an Associate College of Anglia Polytechnic and one of the largest colleges of further and higher education in the country. This new position is part of the Institute's preparation for independent, corporate status in April 1993.

We can offer you

- An attractive starting salary around £30,000
- A challenging career move at an exciting time of change
- Relocation assistance

Please send a full CV, and the names of two referees to the Director, Colchester Institute, Sheepen Road, Colchester, Essex, CO1 3LL by 30th January.

## Leading International Bank Computer Audit Manager

London

This leading financial institution is a major force in international banking, offering a wide range of commercial banking, merchant banking, investment and other related services through its many offices around the world. Following a major strategic review, it is in an excellent position to capitalise on its strengths and achieve further, sustained growth.

A need has now arisen to appoint a capable and experienced individual to head the computer audit function for the UK, Continental Europe and North America.

This important and highly visible role has the following key responsibilities:-

- carrying out strategic and operational planning of IT audits within the region;
- undertaking quality assurance reviews to ensure that the highest IT audit standards are maintained;
- liaising with senior management throughout the group;

c £45k + Banking Benefits

• leading and developing a highly professional team.

Overseas travel will be necessary from time to time.

Candidates will probably be aged 30 - 35 and qualified accountants with at least four years' post-qualification computer audit experience, either within or outside the profession. Financial services experience will be a distinct advantage. Together with in-depth technical knowledge, candidates must be able to demonstrate a proactive approach and the personal stature, commercial awareness and communication skills to establish credibility and work successfully with senior management across the group.

In addition to the advertised salary, the remuneration package includes a non-contributory pension scheme, subsidised mortgage, car and private health care.

Interested applicants should write, enclosing a detailed CV, to Roger Howell at the address below, quoting reference 096.

ST. JAMES ASSOCIATES

MANAGEMENT SELECTION

32 OLD BURLINGTON STREET, LONDON W1X 1LB FAX: 071-287 2821. TELEPHONE: 071-287 2820.  
A GKR Group Company

## Financial Manager Taxation & Risk Management

CHESHIRE • CIRCA £33,000 + BONUS + CAR



Reconner Mould is an independent private company formed recently to acquire ICI's £140m consumer Soda Ash Products business. The company is committed to a policy of sustained long-term growth and investment in order to maintain its leading position.

Reporting to the Financial Operations Director, this is a new senior appointment with two initial lines of responsibility:

- to establish, plan and manage all aspects of corporate taxation and compliance
- to develop and implement risk management strategies, including overall control of the insurance programme.

With a manufacturing asset base of several hundred million pounds and a £1m insurance budget, this position will have scope for significant impact on business profitability.

Candidates must be qualified accountants with a thorough grounding in corporate taxation, ideally backed by either treasury or financial planning expertise to enable the role to broaden in the medium term. A proactive and creative approach must accompany highly developed interpersonal skills. The salary indicated is negotiable depending on experience and will be supplemented by a profit related bonus and a broad range of executive benefits.

Interested applicants should send a detailed CV and salary history, quoting reference 1880/77.



HUMAN RESOURCE CONSULTANTS  
Brimston Court, Alderley Road,  
Wilmslow, Cheshire SK9 1JX  
Telephone (0625) 332446

## FINANCIAL CONTROLLER PHARMACEUTICALS

Circa £35,000 + car

This is a new position, based in Guildford, reporting to the Managing Director of Monmouth Pharmaceuticals Ltd., the rapidly expanding UK/European subsidiary of Roberts Pharmaceutical Corporation, an international US pharmaceutical company. Key tasks include setting up, monitoring and reporting on all financial activities, budgetary control and planning for UK and US management.

A qualified accountant, aged 30-45, with several years pharmaceutical industry experience is sought for this position. Please send, or fax, your CV to

Managing Director, Monmouth Pharmaceuticals Ltd., 3/4 Huxley Road, Surrey Research Park, Guildford GU2 5RE.

Tel: 0483 65299. Fax: 0483 63658

## FINANCIAL DIRECTOR - FRANKFURT

*Senior management position with one of the world's most respected communication companies.*

One of the world's most highly-regarded multinational communications companies seeks a seasoned Financial Director. Working in our Frankfurt office, this position will oversee activities for our Frankfurt and Hamburg locations.

Proven experience as a Financial Director is required, along with multinational and corporate experience. Advertising background preferred. A fluency in German and English is essential.

Salary and benefits are highly competitive. Please send resume/C.V., with salary requirements, to: Box A432, c/o Financial Times, Number One, Southwark Bridge, London SE1 9HL.

## Corporate Finance Manager

An international group of companies with industrial, trade and banking operations, seeks a high calibre and seasoned professional with at least 10 years of applied managerial experience, college degree and professional certification, to direct the investment planning, finance, accounting and internal auditing systems.

The candidate must possess excellent leadership, communications, analytical and interpersonal skills, consistent with the requirements of this high-level position. Exposure to multi-nationals is preferred. Duties require frequent business travel. The successful applicant will be based in Tangiers.

Salary and benefits are very attractive and are commensurate with qualifications and applied experience.

Write Box No: A1734 Financial Times,  
One Southwark Bridge, London SE1 9HL

## Computer and Systems Auditor

to £30,000 + car

The changes which are redrawing the political map of the world are also creating considerable opportunities for the development of new overseas markets.

At B.A.T. (UK and Export) Limited, we already export a leading range of tobacco products to over 170 markets throughout the world. We are constantly reassessing our business methods and systems to meet every new challenge in an environment which constantly changes. As a member of our Internal Audit team, you will make an important contribution to our development.

We are currently in the process of transferring our entire business systems to IBM hardware. It's a major operation in which you will be closely involved, giving you the opportunity to use your systems development and implementation knowledge. Building on your computer audit experience, you will audit computerised management information systems throughout our UK operation, as well as conducting some general audits.

Joining us as an ACA with 2 to 3 years' post-qualification experience, you will gain exposure to many diverse areas of the business - the ideal foundation for a role in finance or management services. In a profitable and progressive company, career development could be very fast - you could move to another role within 18 months.

You can also look forward to a benefits package including BUPA membership, non-contributory pension and, where appropriate, relocation assistance.

Please write, enclosing your CV, to Heather Morgan, Personnel Department, B.A.T. (UK and Export) Limited, Export House, Woking, Surrey GU21 1YB, or telephone 0483 757555.



B.A.T. (U.K. and Export) Limited

## THE SCOTTISH OFFICE

### Director of Finance and Information Systems, Edinburgh to \$40,000 plus bonus

The Scottish Prison Service works for the achievement of objectives within the framework of the Government's law and order and criminal justice policies in Scotland. Following a review, its headquarters organisation is being restructured in line with policy and management changes aimed at the delivery of sustained improvements in the quality of service.

As Director, Finance and Information Systems, you will play a key role in implementing these changes. You will be expected to participate fully in the formulation of strategy, financial planning, decision making and in the overall management of the Scottish Prison Service.

To undertake this demanding task we require a professionally qualified accountant, who is a member of one of the 6 CCAB bodies, with experience of financial and management accounting in a public or private sector business operating on the principle of delegated financial accountability. You must have experience of the development of financial and information systems and the knowledge and skill to ensure that such systems are used effectively by all managers.

Could you be responsible for the monitoring of the Scottish Prison Service expenditure against budget and for providing the Chief Executive of the Scottish Prison Service Board with the advice and information necessary to achieve tight financial management and value for money? Could you take charge of the development and implementation of financial and management information strategies to support the achievement of the Scottish Prison Service's strategic objectives?

If you have the experience, drive and determination which this post demands, then apply to us today.

The appointment is for a period of 3 years, with the possibility of extension.

Salary will be in the range \$35-40K. In addition a performance related bonus may be payable.

For an application form (to be returned by 7 February 1992) and further information, contact Miss C. Carlin, The Scottish Office, Personnel Division, Room 408, 16 Waterloo Place, Edinburgh EH1 3DN (Telephone 031-244 3805 or GTN 7188 3805).

Interviews will be held in Edinburgh.

The Scottish Office is an equal opportunity employer.



GD105 192

## OBSERVER

### Financial Accountant

London £28,000 to £32,000

First published in 1791, The Observer is Britain's oldest Sunday newspaper. As part of one of the United Kingdom's largest conglomerates, it operates using the latest financial and accounting systems.

A Financial Accountant is now required to take control of the Management Accounts section of five staff. Reporting to the Financial Controller, he or she will be responsible for the production of statutory accounts, regular management accounts, annual budgets and tax computations. Day to day duties will involve liaison with editorial, advertising and production staff.

An accountant is sought with up to five years' post-qualification experience, either in a related industry or from the profession. Candidates must have a knowledge of computerised systems, be able to meet tight deadlines, have the ability to motivate staff and must, above all, have a keen sense of humour.

Interested applicants should forward a comprehensive CV to: Mr J. Wills, Financial Controller, The Observer, Chelsea Bridge House, Queenstown Road, London SW3 4NN.

## FINANCE DIRECTOR

North West

c.£30,000 + Bonus + Car

Part of a UK based international PLC, the Company has a t/o of c.£20m, is profitable and is a leading manufacturer of consumer packaging. A commercially orientated Finance Director is sought who will contribute personally to widening margins, containing costs and imposing effective financial disciplines on all departments.

Candidates, ideally chartered accountants age 35/40, must be numerate, articulate and highly commercial. They must have senior financial management experience gained in manufacturing industry and the ability to motivate and exercise influence at all levels.

The compensation package is excellent. Please write with full career details to Alan Edmondson at:



E.P. INTERNATIONAL  
163 Brompton Road, Knightsbridge, London SW3 1HW.



**By John Hunt, Environment Correspondent**

If the amount of sulphur in the atmosphere is reduced by cleaner industrial methods, the pace of warming could speed up. In that event a 1 degree

## Neil Buckley sees living standards collapse as subsidies end and market forces fail to breach the gap

that the government has paid on goods.

"This measure was not adopted because we thought it would lead to a blossoming of the economy or because we thought the shops would be full," he said, "but because, in the present situation, we had no other room for manoeuvre."

Getting that message across to the Russian people, as their living standards plummet, is not proving easy.

For the first winter since the Second World War, large sections of Russian society are under the headline "We are now living as we did 45 years ago, and perhaps worse." The newspaper *Nezavisimaya Gazeta* this week quoted statistics that even before price liberalisation the standard of living in Russia had dropped to 1946 levels.

What the paper calls the

<sup>a</sup> Minced

bles in your pocket," one woman commented. Another drew grunts of approval from the crowd as she recalled Stalin's times, when goods were cheap and queues were short. "Yes, we lived well under Stalin," she said.

"The price rises are not confined to basic food or clothes. The cost of a return air ticket from Moscow to London has risen from around Rhs220 to Rhs57,000. The economy fare to New York is now Rhs96,000 - compared with 20 years' average wages.

There have, however, been reports from cities such as Yerevan and Novosibirsk of prices falling after shops returned goods to the producers because they failed to sell - the first, fleeting signs of market forces.

But many Russians are not the only ones complaining. Some economists - even those who supported market reforms in the Gorbachev era - have been highly critical. Mr Nikolai Petrov, a former economist adviser to the Soviet government, told Moscow News that it was "obvious that the reform process just begun has no

The *bazy* purchase from the producers - such as factories and state farms - who also rake off a limited percentage. It is, therefore, the producer who bears most responsibility for the level of prices, and until producer monopolies are broken, the scope for price reduction is limited.

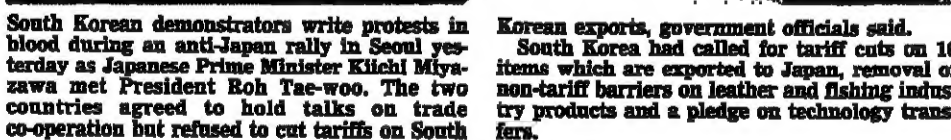
There may be some, however. In his speech to the Russian parliament on Thursday Mr Yeltsin attacked producers for taking excessive profits, sometimes of 200 to 300 per cent, and proposed to limit profit margins of enterprises to 50 per cent, and to speed up privatisation.

Mr Gaidar accepts the criticisms of his reform. But he is probably justified in his claim that the need to speed up the budgetary savings all others.

However, price liberalisation is only the first step on a very long road. If it is to travel the road successfully, Russia will need all the help it can get.

**By Laura Silber  
in Belgrade**

Mr Paul Jenks, who worked for the Frankfurt-based European Press-photo Agency (EPA), died during surgery at Osijek hospital shortly after he was shot in the head in the village of Josim Dvor.



South Korean demonstrators write protests in blood during an anti-Japanese rally in Seoul yesterday as Japanese Prime Minister Kiichi Miyazawa met President Roh Tae-woo. The two countries agreed to hold talks on trade co-operation but refused to cut tariffs on South Korean exports, government officials said.

South Korea had called for tariff cuts on 10 Japanese exports, and Japan had agreed to remove non-tariff barriers on leather and fishing industry products and a pledge on technology transfers.

**By Michael Prowse in Washington**

## Hong Kong averting U

seasonally-adjusted annual rate of \$64.7bn in the first 11 months of 1990, a 1.5% improvement from the annual shortfall of \$101.7bn in 1990. However, many economists expect the deficit to begin rising again later this year if the economy stages its expected recovery from the recession.

Officials said the fall in industrial production last year and parts. Overall manufacturing output, however, rose by a marginal 0.1 per cent, reflecting an increase in output of non-durable goods.

The operating rate of factories, mines and utilities fell 0.3 percentage points to 79.0 per cent, the lowest ever since April, and only fractionally above the trough reached last winter.

**By Nell Buckley**

"It could lead to a shoot-out perhaps not civil war, but something of that kind," he said.

Mr Chanturia said he did not believe Mr Gamsakhurdia would succeed in re-establishing power, and thought he would be defeated in a maximum of two weeks.

"But the tragedy is that there may be more bloodshed among innocent people," he

**By Nancy Dunne in Washington and Simon Holberton in Hong Kong**

China agreed to provide protection for US inventions and copyrighted works, including computer software, products, patents, sound recordings and trade secrets.

In Hong Kong, the government and business establishment yesterday responded with a positive, if cautious, welcome. The agreement has averted punitive trade sanctions against China, under "Special 301" section of the 1988 US trade law, which would have harmed the colony.

The broad US-China agreement was won by insistent

measures such as those contained in the text proposed by Mr Arthur Dunkel, the director-general of the General Agreement on Tariffs and Trade (GATT), and a similar agreement, the US will probably have to give up what has been a powerful weapon in its "fair trade" arsenal.

China promised to extend protection to existing copyrights (and sound recordings as well as new works; protect computer programmes as literary works with a term of protection of 50 years after it joins the Berne

and Chinese negotiators have to overcome before fears in the colony are allayed.

Mrs Hills is preparing further actions against China, under the 301 umbrella, over trade issues. Her statement of progress gives every indication of wanting to fight President George Bush on the renewal of China's Most Favoured Nation (MFN) status. Mr Bush has to warn China's MFN status by June.

The prospect of China losing its MFN status was "in the realm of the unthinkable", one senior Hong Kong trade official

**By Ian Davidson in Paris**

France is also reported to have agreed to new Pakistan

**THE International Monetary**      However the week-long de

**T**HE complexities of the Gattaca dispute, which bedevils diplomatic relations between Washington and Madrid, have been thrown into sharp relief by the landslide re-election of Mr Joe Bossano as chief minister of the Basque country last week.

the UK to the European Community. Gibraltar joined the Community in 1972 as a dependent British territory and remains outside the Common Customs Tariff.

**Bossano's re-election is a mandate to seek constitutional change, Tom Burns writes**

Mr Bossano, 52, a former union official, now has a mandate to pursue constitutional changes viewed with trepidation by London and with outright hostility by Madrid. These include an end to Gibraltar's colonial status, which would strip Britain's shrinking military presence from the rock, and the transfer of responsibility for the rock's foreign affairs to the Spanish government.

theless made it plain the defence planned by Mr Brown was not the only option: either Gibraltar is Spanish. The Madrid government has been, meanwhile adamant in its refusal to accept any form of safeguards cannot be agreed which will accommodate Gibraltar's status. The territory has to remain under British sovereignty.

at the indepen-  
sano is not an  
is British or it  
government is  
at, while all  
be arranged to  
's way of life,  
ert to Spanish  
profile lawyers  
place a \$300m  
share issue on  
ket.  
But Gibraltar  
a finance cen-  
acquiescence  
everything in t  
ing endless que  
on the frontier

and financial experts to  
 (£187.5m) preferential  
 the New York stock mar-  
 ket.  
 s long-term viability as  
 it depends on Spain's  
 at present, Spain does  
 s power - from ensur-  
 ing the customs post  
 to branding Gibraltar as  
 a free zone.

n and Madrid agreed to dual  
e than four years ago but imple  
on of the agreement has been  
by Mr Bossano.

star's offshore plans would be  
possibly mortal blow if the  
ence of Mr Bossano and the  
government meant the rock  
cluded from the G

**The Financial Times (Europe) Ltd**  
Published by The Financial Times  
(Europe) Ltd, 100 Bank Street, 10th  
Floor, New York, NY 10038, USA  
9048481; Telex 401135; Fax 9048482  
E. Hugo, Frankfurt/Main, and, as  
agent, G.T.Z. Damer, A.C. R.A.F.  
D.E.P. Paine, London, for the  
GmbH-Härrnyer International, 2078  
Neuenberg 4, Frankfurt. Responsible  
Editor: Richard Lambert, Financial  
Times, Number 100 Bank Street,  
London SE1 9HT. The Financial Times  
Ltd, 1992

Registered office: Number One, South-  
west Bridge, London SE1 9HT. Con-  
tents incorporated under the laws of  
England. Publisher: E. Hugo, Chairman; D.E.P.  
Paine, Main Shareholder; G.T.Z. Damer,  
Chairman of the Board of Directors of  
Financial Times Limited. The Financial  
Times Ltd, Publishing Director: J. Rolley,  
168 Rue de la Reuill, 75004 Paris Cedex  
01, Tel: (01) 4297 0201; Fax: (01) 4297  
0208. Editor: Richard Lambert, Private  
90100 Rue de la Reuill, 15-21 Rue de Cour-  
celles, 75002 Paris Cedex 02, ISSN: 0950-  
4148-2753, Commission Périodique No  
6788-D.

**Financial Times (Scandinavia) Västnäs-  
skaffet 2A, DK-1161 Copenhagen K,  
Denmark. Telephone (33) 13 44 01. Fax  
(33) 933333.**